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THE

NATION'S BUSINESS



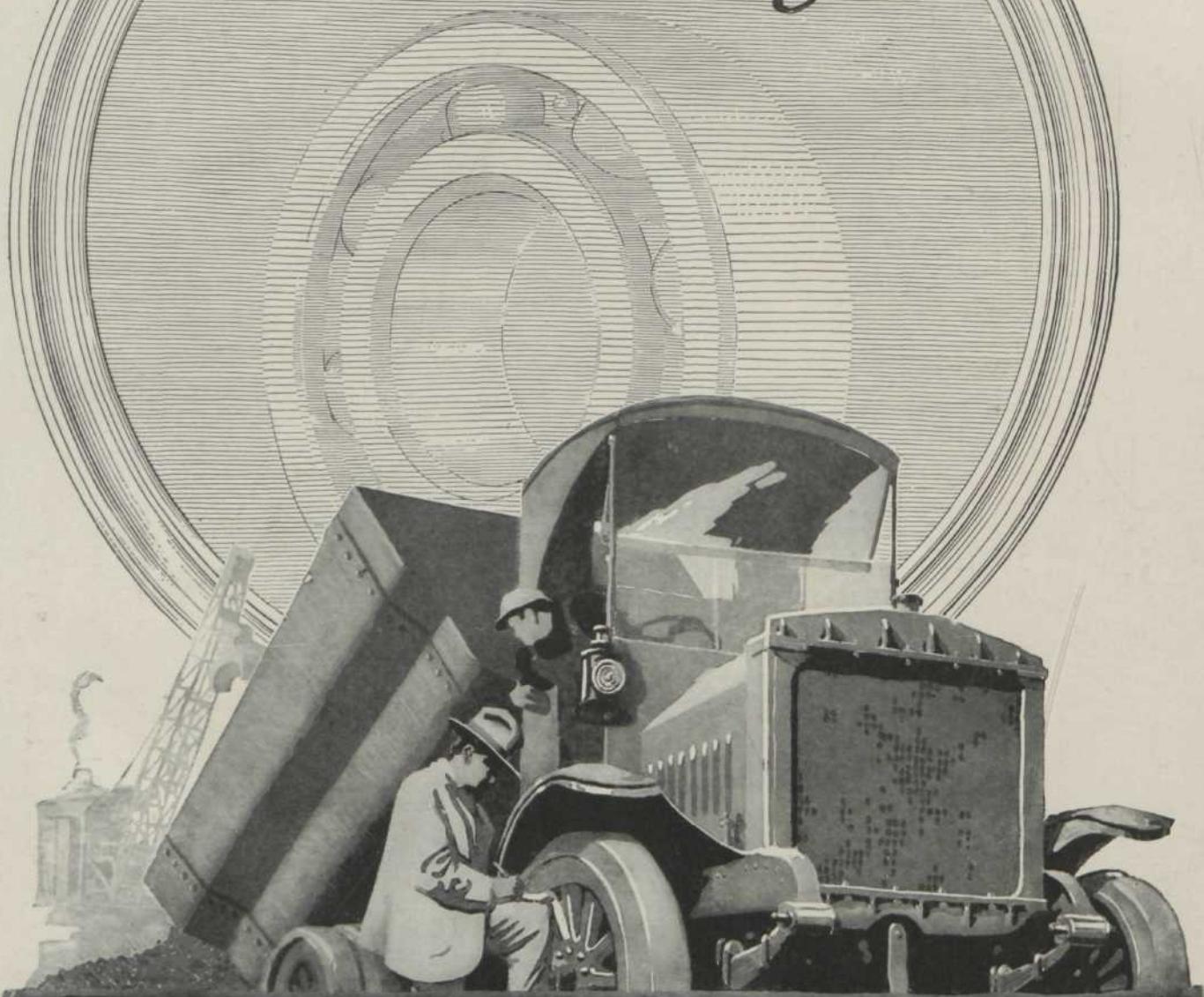
INDUSTRY'S
WAR-to-PEACE
PROGRAM



R. L. AMBROSE
1918

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The coal mine and the asbestos mine have a big job in common — maximum production of power.

With the burning of coal in these times goes the obligation to use its heat efficiently. So every ton of fuel mined summons more asbestos from another mine, automatically, to guard jealously the heat from that fuel.

The two mines are racing together toward a common goal.

As the largest factor in the mining and fabrication of asbestos, Johns-Manville bears a burden of heavy responsibility. Asbestos is the fibrous mineral base of the most efficient heat insulations. It is the necessary other 15% in 85% Magnesia.

It is, as well, the basic material for many economical packings which reduce friction, prevent leakage, resist wear, and save power. In almost every plant improvement or extension, asbestos in one form or another is practically indispensable.

This development of asbestos from the status of a little-known curiosity to its present rating as an industrial necessity, is due in no small part to Johns-Manville. So we can be doubly proud that when the nation needed Asbestos, our mines and factories, our laboratories and mills, our engineers and chemists, all were ready to play their part in the nation's service.

H. W. JOHNS-MANVILLE CO.
New York City
10 Factories—Branches in 63 Large Cities

To save steam and power, and hence to save coal, specify these Johns-Manville Materials:
Asbestos-Sponge Felted Heat Insulation; 85% Magnesia Sectional Insulation; Asbestocel and Air-Cell Sectional Insulations.
Sea Ring Rod and Shaft Packing; Universa I Piston Packing; Mogul Stem Packing; Service Sheet Packing; Seigelite Sheet Packing; Kearsarge Gaskets; Vulcabeston Pump Valves.

Asbestos Mines



Coal Mines

— and so:

JOHNS-MANVILLE

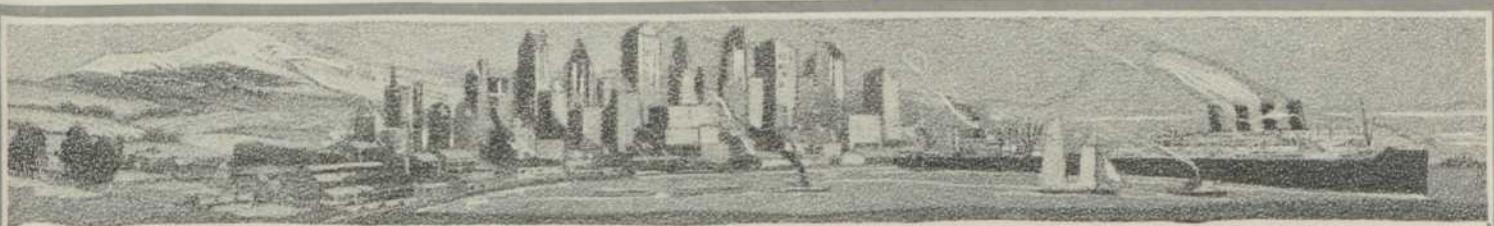
SERVES IN CONSERVATION

through Asbestos



and its allied products

ROOFINGS that cut down fire risk
INSULATION that keeps the heat where it belongs
CEMENTS that make boiler walls leak-proof
PACKINGS that save power waste
LININGS that make brakes safe



Getting Down to Business

Today American Business faces an era of stupendous possibilities. We are about to enter an age of industrial prosperity unmatched in history. The vast, unsuspected reservoirs of economic resources the war has tapped cannot be sealed up. They are known, open and flowing and must continue to flow for the benefit of all mankind. This is an obligation arising from the unquestioned Leadership in Finance, Transportation, Industry and Agriculture, which the fortunes of war have thrust upon America.

To every thinking man, the future must be interpreted largely in terms of motor transportation.

New industries born of war's necessity must continue to serve in peace. They will need motor trucks.

The enlarged capacity of America's factories—none too great to meet our own and the world's requirements—must rely upon modern haulage.

Our standardized, fabricated ships are needed to carry America's goods to foreign lands. Their cargo must "go down to the sea" in motor trucks.

The multiplied harvests of our power-operated farms can best be carried to market with motor trucks aiding railroad and ship.

Our soil is still rich with coal, ores, and petroleum. Better roads and more trucks are needed to release them.

We accept Federal's part in this great constructive peace period not only as an opportunity but as a duty.

That manufacturer falls short who sees in a motor truck only a power vehicle to be sold at a profit.

He must sense his larger obligation to supply haulage units that will assist in the fulfillment of America's great industrial destiny.

* * * *

From the very beginning of its history, Federal has laid solid foundations.

"Federal" signifies—not a mere combination of specifications—but performance—quality of service—the assurance of haulage, reliable, efficient and economical.

What Federal signified before the war, Federals have proved many times over in their war-time record.

That record is the ample evidence of what may be expected of Federal in the coming period of business expansion.

Federal plans for the future are plans for growth in order to answer every haulage need for more trucks and the right kind of trucks.

The Federal Haulage Research Department will be developed still further so as to offer motor truck users information that will enable them to get the utmost of service from their trucks.

This is the purpose that animates the entire Federal organization as we are once more "getting down to business."

If in the following out of this purpose, Federal can help you in your business, you may rest assured that no details will be overlooked in our endeavor to serve you well.

For the benefit of motor truck users, present and prospective, Federal publishes regularly an interesting worth-while magazine, "Federal Traffic News," which discusses actual problems of haulage in various specific lines of business and shows how they have been solved. It contains a wealth of suggestion on motor transportation for the owner and operator of trucks. We will be pleased to send it to business executives on request.

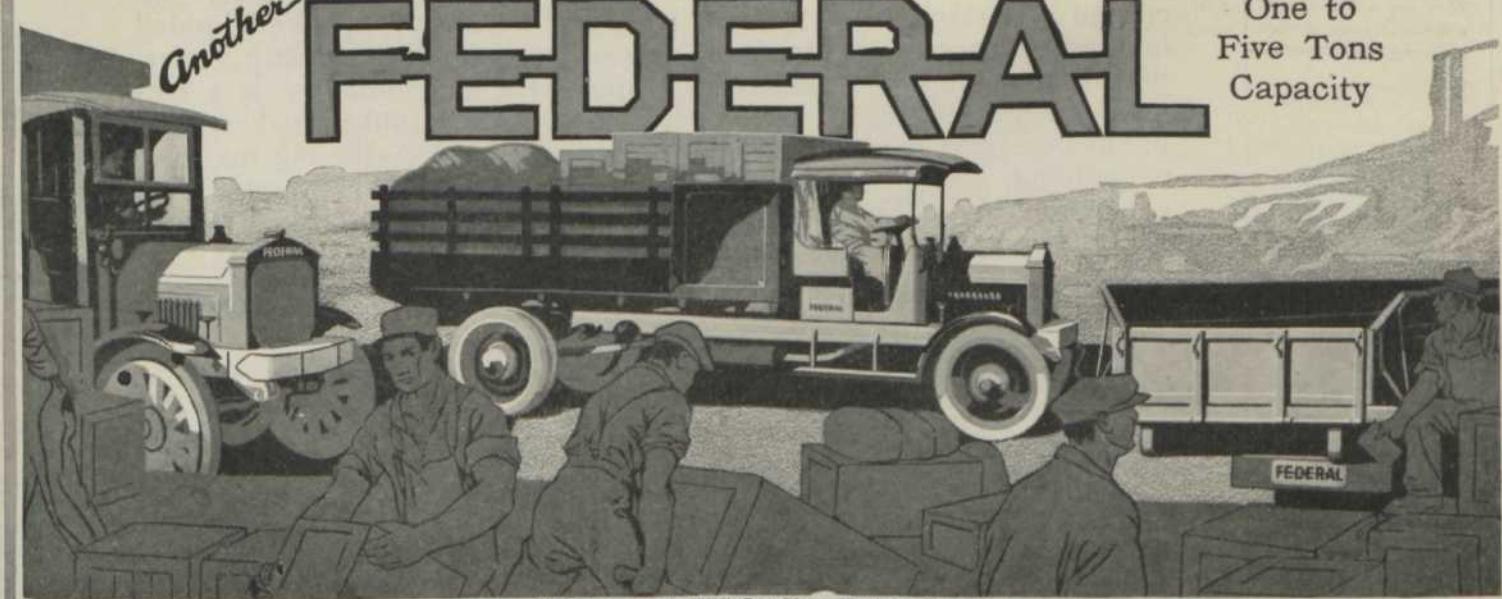
Federal Motor Truck Company

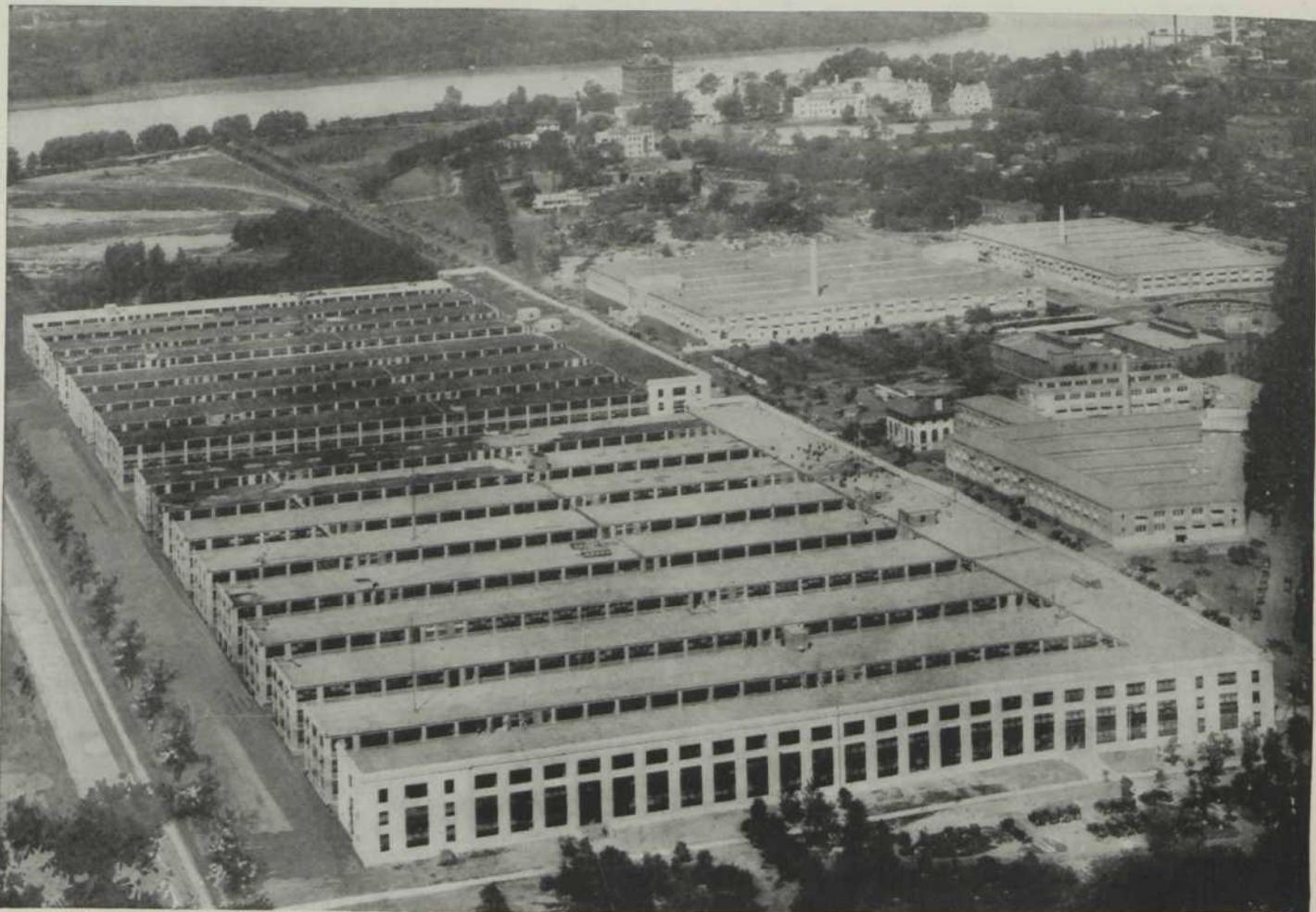
Detroit, Michigan

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FEDERAL

"Return Loads Will Cut Your Haulage Costs."





Navy and War Departments' Office Buildings, Washington, D. C.

Turner Construction Co., Engineers and Constructors



The Government Buys Daylight, Ventilation, Fire Protection & Durability

The new Navy and War Departments' Offices, the largest concrete building in the world, contain 396,000 square feet of Fenestra Solid Steel Windows, as compared with forty-two acres of floor space.

The insistent demand for uninterrupted quantity and quality has created new standards in modern industrial construction. Well lighted interiors are necessary to avoid expensive delays and costly errors. Shadow zones are not tolerated. Ample fresh air ventilation is a requisite for healthy, happy workers and continuous output. Products and production must be protected from fire peril. Hence—the big majority of buildings erected during the past year, for Government production, are equipped with Fenestra windows. This national endorsement is your best building guide.

Detroit Steel Products Company, 2103 E. Grand Blvd., Detroit, Mich.

Here are a few of the structures where Fenestra alone meets the standards

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Co., Squantum, Mass.
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U. S. Projectile Plant,
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Dodge Bros. Ordnance
Plant, Detroit, Mich.
Libby, McNeill & Libby,
Chicago, Ill.
Army Supply Base,
Brooklyn, N. Y.
Rock Island Arsenal,
Rock Island, Ill.
Standard Steel Car Co.,
Hammond, Ind.
Goodyear Tire and
Rubber Co., Akron, Ohio
Ford Patrol Assembly
Plant, Kearney, N. J.

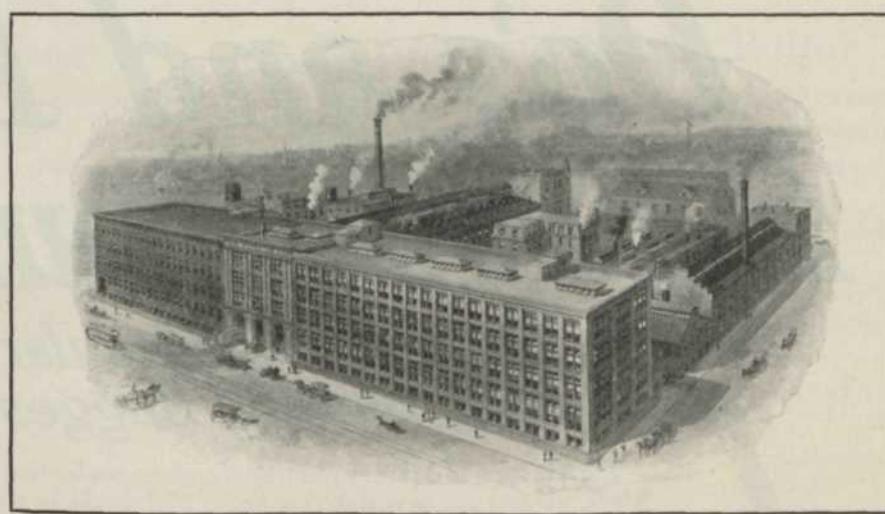
Fenestra
SOLID STEEL WINDOWS

STANDARD STOCK LINES

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Connecting Rods
Crank & Balance Handles
Crank Shafts
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Hoist Hooks
Lathe Dogs
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Rod Ends
Thumb Nuts & Screws
Tool Holders
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MADE FOR

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Tobacco Machinery
Typewriters



Brooklyn Plant

WILLIAMS' SUPERIOR Drop-Forgings and Drop-Forged Tools

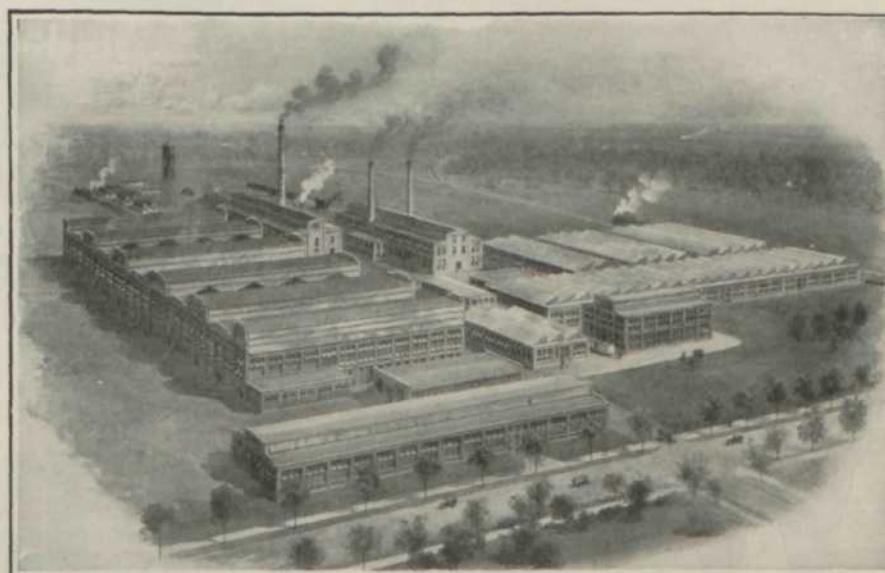
NEARLY half a century ago, when the Art of Drop-Forging was in its infancy we began the systematic effort to *standardize* lines of Drop-Forged Wrenches. We now make and carry in stock, for all recognized trade needs, some 40 different *standard* kinds in about 1000 sizes with openings $3/16$ to $7\frac{5}{8}$ inches. In the same way, we have designed and developed various lines of Drop-Forged Machinists' Tools which are recognized as *standard* the world over wherever machinery and tools are used. During this period we have produced also hundreds of thousands of Drop-Forgings of the highest grade to special order, for practically every metal working industry. Our two complete Plants at Brooklyn and Buffalo, N. Y., afford ample facilities for the manufacture of heavy, medium and light Drop-Forgings.

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Buffalo Plant

Do's and Don'ts For Powerhouse Men-

*Taken from Circular 2032
"Fuel Saving Suggestions"-*

The first thing to do in any plant, anywhere, whether you have stokers or not, is to keep the boiler heating surfaces free from soot, scale, or oil.

Keep the fires level and free from blow holes.

Be sure the blow-off valves do not leak. Cover steam pipes.

Never use live steam if exhaust steam is available and can be used as well.

Give your fireman an opportunity to acquire the fundamentals of fuel burning.

If you have a difficult fuel problem, consult a combustion engineer.

Use gages to indicate exactly the condition of fire bed at all times. As a minimum, these gages should consist of draft gage, indicating draft in furnace above fuel bed, draft gage, indicating draft at boiler side of flue damper, and a steam-flow meter for individual boilers.

CO₂ is the principal product of com-

plete combustion of coal; 10 to 12% CO₂ should be obtained in flue gases to insure minimum fuel loss.

Inspect baffles in boilers, as broken or leaky baffles means high flue gas temperatures and waste coal.

Prevent cold air leaking in around boiler setting.

Clean scale from tubes. Every particle of scale represents wasted coal.

Don't keep the fires so thin that excess air will be drawn in.

Don't carry the fires so thick that incomplete combustion will result.

Don't soak the coal with water before firing.

Don't have the safety valves popping off continually.

Don't waste steam through leaky valves or traps.

Don't permit grates to clog. A systematic method of keeping air spaces clean should be followed.

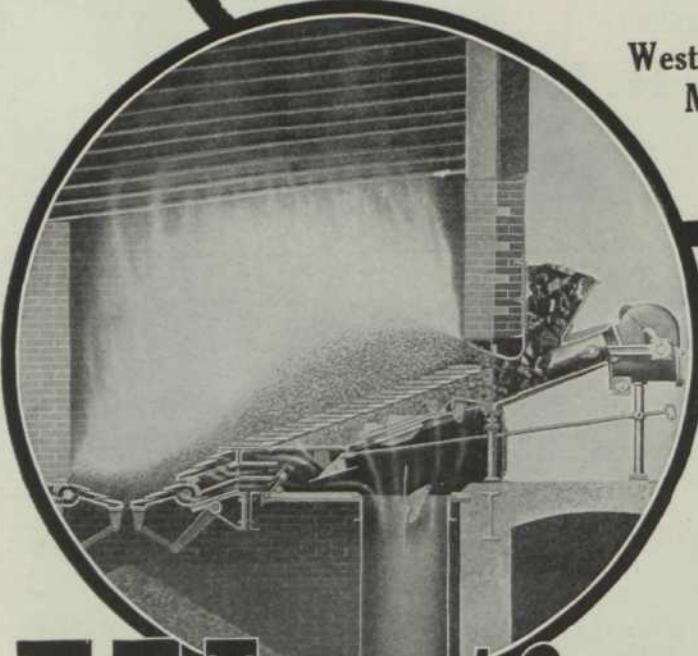
Write for Circular 2032

Westinghouse Electric and
Manufacturing Co.

East Pittsburgh, Pa.



With high combustion efficiency and an overload capacity of from 200 to 300%-- the Westinghouse Underfeed Stoker does away with idle equipment, the spare boilers, and the banked fires--which are so wasteful of fuel.



Westinghouse

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A Foreword by the Editor

A MONTH is a short period—by the calendar. If there were any more accurate measure, the month which began on November 11 would be the longest in our history.

An American Army crossed the frontier of Germany and marched to the Rhine.

The greatest fleet that ever yielded to a foe gave itself up to an opposing naval force, of which American ships had a proud place.

The elaborate fabric of government control over industry fell away almost between suns.

Commitments of industry to make materials of war costing billions of dollars were cancelled.

A bill for the raising of more revenue through taxation than our Government ever before received took new form.

The question of government operation of our huge transportation system was flung squarely into the arena.

Within thirty days of the signing of the armistice, and before the stage is set anew for the preliminaries of peace, the settings for the great tragedy of war have been thrust from the footlights into the background of interwoven human sacrifices and hopes, toward which no man at the peace table will dare to turn his back.

NOT the least important happening of the month was the war-to-peace program drawn up by American industry in a great conference at Atlantic City. Business leaders of the nation joined heads and hearts in an earnest consideration of industrial readjustment, a consideration based on the self-evident truth, "if it is not for the common good, it is not for the good of business."

What was said and done in this greatest of industrial congresses, it is our privilege to set forth in this number. The Nation's Business in this respect is peculiarly fortunate in that since it reported fully the inception of the war service committees a year ago it has, believing deeply in them, missed no opportunity of making their larger purposes and works known. Because of this close and sympathetic connection, the task of interpreting the conclave which marks an epoch in their development into a permanent national force, is a happy one.

THE NATION'S BUSINESS

Published Monthly by the Chamber of Commerce of the United States, Washington, D. C.

MERLE THORPE, Editor.

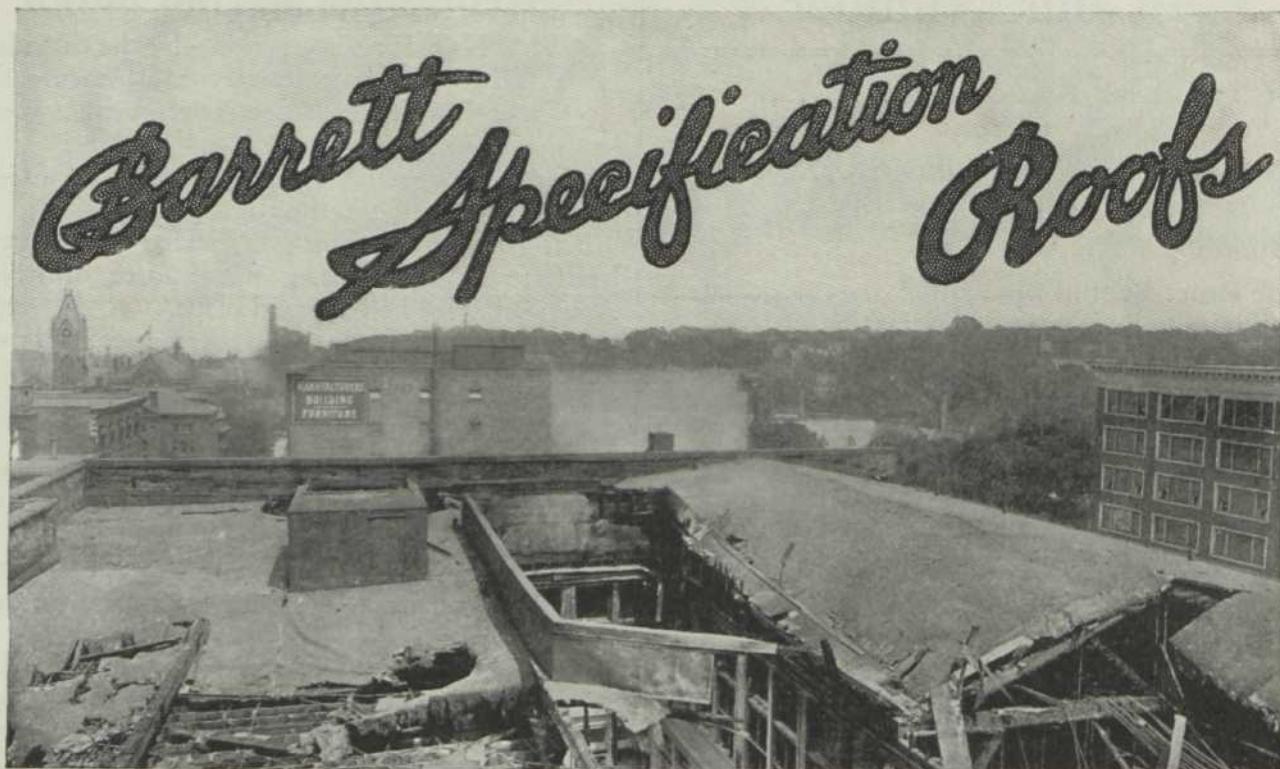
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Why the Underwriters approve Barrett Specification Roofs

Ashton Building, Grand Rapids, Mich. General Contractors, Campbell & McNabb, Grand Rapids, Mich. Roofers, F. J. Sokup & Co., Grand Rapids, Mich.

Photo above shows the roof of the Ashton Building in Grand Rapids after a recent fire. The building carried a Barrett Specification type of roof which served as an airproof fire-blanket—and served well!

A report of the fire states that the firemen played two heavy streams on this roof for two hours while the fierce fire raged in the upper stories.

Yet the roof did not burn and only succumbed where the destruction of the roof boards and beams brought about a complete collapse of the support.

In fire that twisted steel and melted copper, the roofing only smoked, softened and cooked; but it did not blaze or furnish fuel to the flames!

Notice how strips of it hung on the rafters where flames could attack it edgewise, and yet it was not consumed!

No wonder the Underwriters Laboratories put Barrett Specification Roofs in "Class A" and accord them the base rate of fire insurance!

20-Year Guaranty

We now guarantee Barrett Specification Roofs to last for twenty years without cost for maintenance. The guaranty is a Surety Bond issued by one of the largest surety companies in America, the United States Fidelity and Guaranty Company of Baltimore. It is offered on all roofs of fifty squares and over in all cities in the United States and Canada of 25,000 population and more, and in smaller places also where our Inspection Service is available.

A copy of The Barrett 20-Year Specification, with roofing diagrams, sent free on request

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THE NATION'S BUSINESS

A Magazine for Business Men



VOLUME 7, NUMBER 1

WASHINGTON, JANUARY, 1919

An Industrial Pentecost

Hobgoblins of reconstruction are dispelled at Atlantic City by the shop talk of industrial "congressmen" who take a vacation turn at the higher diplomacy

By THOMAS H. UZZELL

WAR performs miracles with the spirits of men. It creates new and stronger human associations. Realizing this, the Chamber of Commerce of the United States has been calling men from our industries to confer with the Government as war service committees. By this move the Chamber's program of uniting and inspiring the business interests of this country has been hastened forward by twenty-five years.

The war service committees accepted the hospitality of the Chamber of Commerce. They got acquainted; they delivered up jealously guarded secrets; they talked freely and openly. It was a new and thrilling experience for them.

They went home. Their spirit, their talk were infectious. Industrial America got it, was transformed, was ready—for the next swift move.

Just before the armistice came the Chamber arranged for a congress of these new committees, a great meeting of the manufacturing

crafts. Peace came. The meeting was dedicated to the tasks of peace. The war emergency and reconstruction congress was held in Atlantic City on December second, third, fourth and fifth. It was attended by nearly five thousand delegates with voting power, these being the members of war service committees, National Councillors, Presidents, and Secretaries of organization members of the United States Chamber of Commerce.

A Conversational Airing

THE legislative machinery of the congress was admirably effective in allowing the fullest possible opportunity for free expression of opinion. A pattern of pyramided committees—the 373 original war service committees to report to thirty-six "related groups," these to report to ten "major groups," who in turn hand in their selected grist of resolutions to a clearance committee, who makes a final selection to be presented to the congress as a whole

—was employed by Mr. W. H. Manss, Chairman of the War Service Executive Committee and to Mr. Manss, the generalissimo of the whole congress, must be given credit for having carried out this program of legislation. It was a feat of organization which many believed could not be performed in the time available.

When you think of the convulsed state of the industrial and economic world, of the vastness of the interests affected, of the four thousand delegates who attended, and the inevitable variance of their opinions, it was a daring presumption to think that in three days they could be brought to precise agreements and pronounce them to the world. Yet they did. It was made possible, not so much because of the machinery of committees, which lent themselves more to freedom of speech than to speed in legislation, but because of the good humor, resourcefulness and common motives of the "congressmen" themselves.

It was discovered that very many of the



American business, finding itself nationally, owes much to these founders of the National Chamber of Commerce. They are, from left to right: A. B. Farquhar, York, Pa.; R. G. Rhett, Charleston, S. C.; President Harry A. Wheeler, Chicago, Ill.; John H. Fahey, Boston, Mass.; Joseph H. Defrees, Chicago, Ill.; Charles Nagel, St. Louis, Mo.

"problems of reconstruction" evaporated when given a free conversational airing.

And right here we touch the emotional pulse of the congress. Never was there more or better talk among business leaders. They left a few problems for the Peace Conference in Paris, to be sure, but no one can deny that they agreed handsomely among themselves. The final thirty-one resolutions were passed by the assembled congress on Friday, practically without opposition.

A Statesman Picnic

BEHOULD the congress at work! On Tuesday the war service committees, gathered in the drawing rooms, sun parlors, bedrooms and lobbies of the hotels, and in all the churches, school-houses and cafes around about. In size they varied from the gathering of over a hundred petroleum men who deliberated formally in the Rose Room of the Traymore, under the chairmanship of Mr. A. C. Bedford, to groups of two or three who, some of them, legislated on the divans in the crowded hotel rotundas.

A committee of two, one from Boston, the other from Los Angeles, decided the fate of shoe laces and arranged the freedom of the seas, while being wheeled up and down in a chair, their fists gesticulating beyond the wicker hood.

Business legislation went forward briskly all over the place. Atlantic City on that memorable Tuesday was a safety valve for its suppressed wisdom. winds flowed together spontaneously. How could there fail to be a gusto of eloquence present among these men who had common problems to settle and who for the first time had this opportunity to talk to each other about them in their own way?

A speaker, addressing wholesale shoes in the Submarine Grill with painted sea monsters about them, a fountain in their midst and the morning sun shining through a glass-bottomed pool over their heads, frankly declared: "The war brought us together and we should be grateful. We are."

A committee of the food products group, four in number, after breakfast together gathered about an inlaid table in the sun parlor and lit cigars. The chairman made his opening address: "Well, boys, what are we going to do?"

A business-like silence. Meditation. Puffs.

Tomato Cans and Justice

SAID one: "Judging from this list of questions sent our committee, it's up to us to settle the affairs of the administration."

Said another: "Hell of a lot you know about government, George."

"Well, you're right," said George, "but I know a lot about how the people who select the government like their tomatoes canned."

"Well, boys,"—again the chairman—"let's

let the boys higher up tackle the big question; we'd better talk shop."

An hour later, the technical problems of their craft agreed upon, they were with great animation drawing up resolutions concerning labor, anti-trust legislation, the cancellation of contracts, and the best way to cremate Bill Hohenzollern.

The ten major groups met Thursday afternoon and evening. Their sessions were still more formal and deliberate, though equally expeditious.

The resolutions sorted out and passed on by these major groups were poured into the clearance committee.

This committee labored day and night over

too! Until that morning never had an American risen to face a business audience with a more difficult task to perform. The whole world was out of joint. American business was creaking horribly. A thousand problems to solve! To each one how many possible answers! Or so it seemed—until President Wheeler spoke.

A Dramatic Opening

NOR was this all. Each man in the audience day before had thoughtfully scanned President Wilson's message to Congress. The common verdict was: the President has "passed the buck." "It will not be easy to direct the

return to a peace footing any better than it will direct itself. The American business man is of quick initiative." Those words were in every mind. The intellectual center of gravity over night had been shifted from Washington to Atlantic City. President Wilson had introduced President Wheeler as spokesman of the nation's safety and honor.

The preliminary proceedings of voting through the committees and rules of the congress were ended; chairs were drawn nearer the speaker's platform; a murmurous confusion—then President Wheeler began to speak. Holding the ends of a yellow pencil by the tips of his fingers, he stepped between the two un-

painted tables, and quietly, though with measured distinctness, said:

"A little more than a year ago American business gathered its forces in this city by the sea to pledge its every resource to bring the war to a successful conclusion. Today the same forces, multiplied in number, meet to study the problems involved in what we call reconstruction."

There was an instant hush. With simple directness the speaker continued:

"War swept down the world like a withering flame, bringing in its train barbarity, devastation, and unutterable sorrow. Justice, like an avenging angel, has scattered to the four winds the boastful hordes of Central Europe. Peace stands upon the threshold of a new day, bidding us lift the curtain upon a world from which the menace of military autocracy has been forever removed."

Business Finds Its Tongue

HOW shall we enter in to possess this new world? With boastful arrogance of the foolish victor, drunk with power, or with the patient humility of a chastened peoples intent only upon building a new civilization and a new code of human ethics on the wreck of the past?"

This was moving speech. The business men of the United States have always been strangely inarticulate in a verbal or literary sense.

(Continued on page 63)



Charles M. Schwab with his "best critic," Mrs. Schwab, on his arm. The gentleman on the left, edging out of the picture is L. S. Gillette, of Minneapolis; the other bravely standing his ground is Clarence H. Howard, of St. Louis, both Directors of the National Chamber of Commerce.

the armfuls of resolutions and reported their work ready and finished for the general sessions at Young's Million Dollar Pier before noon of Friday, the day following. They presented thirty-one resolutions. The degree to which their work was appreciated and their judgment was respected was amply testified to by the hearty ovation given Mr. Defrees when he rose to propose this final legislation to the congress.

The Congressional Address

IT would be difficult to decide which would be the greater spectacle, the committees at their work or the addresses made to the congress. About the general addresses one thing is certain: all of them were listened to with almost thirsty attention, and two of them, that by President Harry A. Wheeler of the Chamber of Commerce and that by Charles M. Schwab, will be topics of conversation as long as talk remains to those of us who heard them.

The auditorium is merely a tawdry coliseum built out over the surf, ornamented in a supposedly marine motif and garishly illuminated by thousands of electric bulbs. Its one note of glory was the allied flags draped from all the galleries. On Wednesday morning, standing upon a rude platform between two pine-board tables, President Wheeler made his introductory address.

If Mr. Schwab gave the congress a heart, President Wheeler gave it a mind—and heart

A Peace Program For Industry

By this message to the Congress of War Service Committees at Atlantic City, President Wheeler interpreted the new industrial age to those who created it

By HARRY A. WHEELER

President of the Chamber of Commerce of the United States

ALITTLE more than a year ago American business gathered in a great war convention and pledged its every resource to bring the war to a successful conclusion. Today the same forces, multiplied in numbers, are studying the problems involved in what we call Reconstruction, and are ready to offer to the Government their best counsel and effort in accomplishing the necessary readjustments with the minimum of loss and inconvenience.

War swept down upon the world like a withering flame, bringing in its train barbarity, devastation, and unutterable sorrow.

Justice, like an avenging angel, has scattered to the four winds the boastful hordes of Central Europe.

Reconstruction, National—International

PACE stands upon the threshold of a new day, bidding us lift the curtain upon a world from which the menace of Military Autocracy has been forever removed.

How shall we enter in to possess this new world? With the boastful arrogance of the foolish victor drunk with power, or with the patient humility of a chastened people intent only upon building a new civilization and a new code of human ethics on the wreck of the past?

Yesterday we thought of the period of reconstruction as a distant goal which some day we should attain; today we are atmosphered by its problems, confused and perplexed by the adjustments demanding consideration.

Yesterday we subordinated everything to the production of the enginey of war; today we are mentally beating swords into ploughshares, and spears into pruning hooks, against the day when husbandry and the hum of peaceful industry shall replace the riot of death and destruction into whose vortex we have been flung by the curse of war.

The dangers of the state upon which the world is entering are scarcely less than those from which we have just escaped. The overthrow of European governments, inviting experiments with unsound principles of government and inducing all kinds of emotional legislation, is likely to set us apart as the most conservative power on earth, and in the measure which we hold the lamp of our experience to guide the feet of those who are groping through new and untried paths, shall we deserve their love and loyalty and confidence.

Reconstruction is difficult to define and even more difficult to interpret because the problems are world-wide. Literally it means to construct again, to rebuild. We used the word freely in the period after the Civil War to indicate "the process by which the

seceded States were restored to their rights and privileges of the Union."

In many of the belligerent countries the word may be very correctly applied, involving as it does the physical reconstruction of a devastated area over which the ravages of war have swept, and in other countries setting up of new governments to replace those overthrown, but in our country neither of these conditions confronts us, and as applied to our home concerns, our problems are those of readjustment and the term reconstruction in connection with the period upon which we are entering is justified only where we apply it to the international relationships in which we are participants, or in order that a common term may indicate the character of the period through which the world is passing.

There are two distinct phases of reconstruction or readjustment, one dealing with our international relationships, and the other bearing upon our internal affairs, for an endeavor to adjust the latter without taking into account the former would be to invite certain failure.

The footing or foundation stone of political and economic reconstruction will be laid in the peace treaty.

Men of business may not be regarded competent advisers in matters of diplomacy and statecraft as affecting political reconstruction, but as a corollary to this assumption, the diplomat or statesman may not be regarded as a wholly competent adviser in matters of economic reconstruction.

Bad diplomacy has been responsible for much of the world's ills. Commercial relationships have been sorely strained because they were intermingled with political intrigue, but now, on the one hand old barriers have been broken down by

the alliances and associations of war, while on the other, new barriers have been raised by enmities resulting from conflict between nations formerly on a friendly footing.

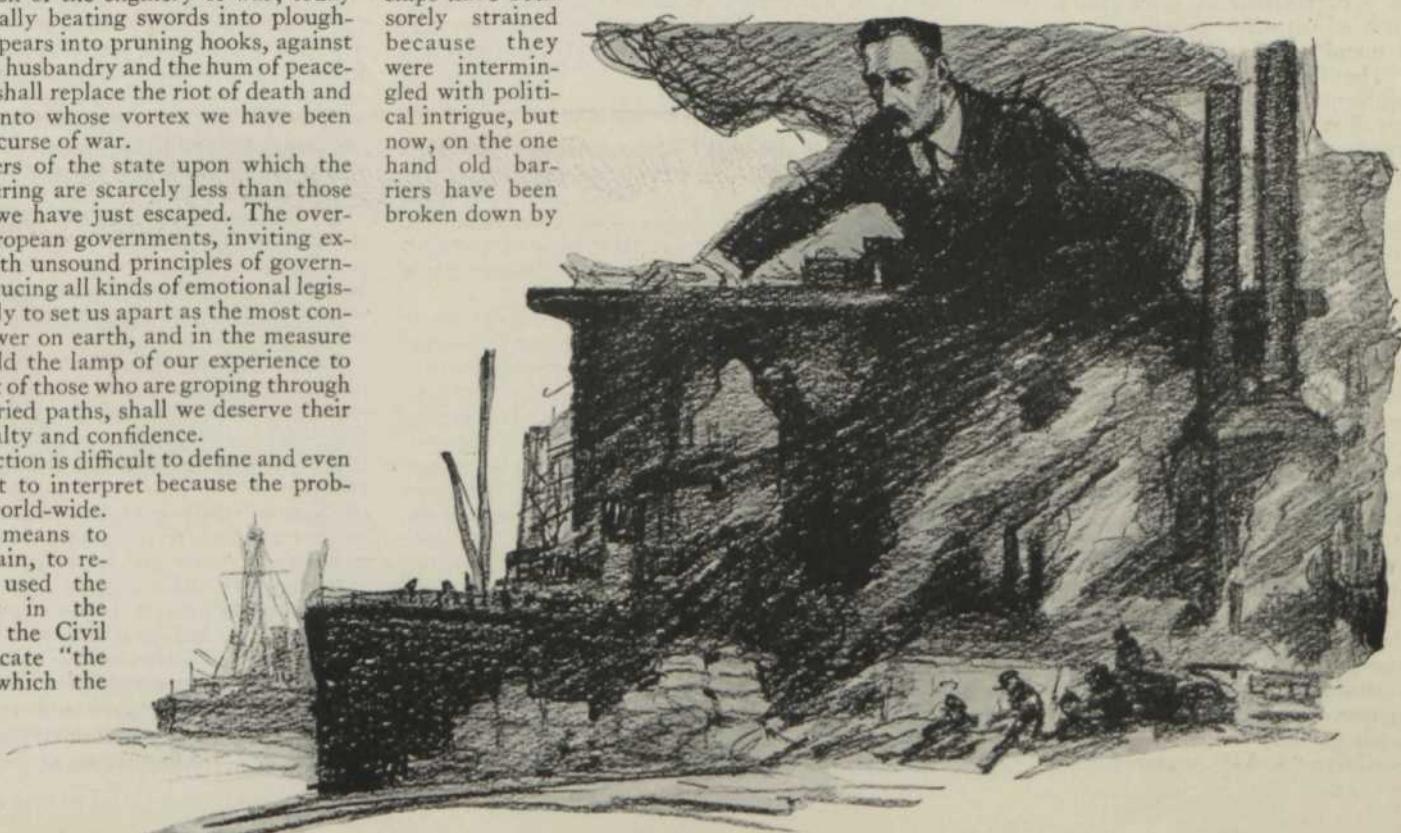
These new alignments merit a new brand of diplomacy and diplomacy may well take a lesson out of the book of commerce and by applying modern commercial ethics to diplomatic relations learn how much easier it is to deal simply and directly than by the devious paths and labyrinths of evasion and deceit.

We may assume that commerce will play an important role in all of the world readjustments, and it becomes imperative that in the peace terms which presently will come under discussion, certain fundamental considerations affecting commerce shall not be overlooked. Furthermore, in the counsels which shall determine the international political and economic relations of the future, American business, in common with like interests of other nations, should be consulted in framing the peace conditions.

The Curse of Diplomacy

INTERNATIONAL harmony cannot long endure where secret diplomacy and side agreements exist between certain units in the family of nations. Combinations between nations made for the purpose of undermining or destroying the influence or standing of other nations are as reprehensible as combinations in trade for the same purpose.

Even now, if we are to believe the press dispatches, the old type of diplomat is again abroad sowing seeds of dissension; whispering



behind his hand that harmony is already lacking as between the powers that must lead in formulating the peace terms. These men cannot recognize the signs of the time, nor realize that out of the crucible will come a new civilization and a new code of political ethics in which their type of diplomacy can have no place.

Does not the opportunity open to the United States to suggest a new and enlightened diplomacy free from secrecy, open to the judgment of public opinion and supportable as between the signatory powers without apology or explanation because it has in it all of the elements of candor and justice?

Failure to deal generously in the distribution of raw materials will seriously impede the industrial restoration of nations not fortunate enough to possess basic materials of their own in surplus for trading purposes.

Should not the United States lead in proposing a plan for rationing basic materials and stabilizing their cost so that the temptation to selfishly profit by the original ownership and control shall be replaced during the period of reconstruction by a broad recognition of the needs of all nations to re-establish their productive power under as little restraint and as rapidly as the circumstances may permit?

A Live and Let Live Policy

SUCH a plan of rationing is not a function of the government exclusive of the aid and counsel of those expert in handling these commodities. Making the plan and carrying it into effect should be left to those who best know the processes of production and distribution, with only such government participation as may give official sanction to the plan and provide the regulation that will assure fair dealing and reasonable prices.

The principle of economic boycott, often advanced as a punishment to those nations guilty of disturbing the world's peace, is neither politically nor economically sound, nor is the principle of "favored nation" in commercial treaties. These would tend only to drive the nations farther apart and increase the unrest in the industrial world.

May not the United States lead here, also, in a declaration of principles providing for such adjustments as will ultimately assure a live and let live policy for the whole world?

The fourth and last of the international problems of reconstruction of which I shall speak is the use of the remaining ocean tonnage and of the new fleets as they leave their ways, in the common service of all nations.

Belligerents and neutrals alike have been sufferers from the piratical operations of the German submarines. Loss of shipping has, more than any other single factor, overthrown the normal operations of commerce and trade, destroyed production, and brought great numbers of world's population near to starvation.

Reconstruction cannot proceed under principles of just consideration for the needs of all nations except as those countries having ships available shall so far pool their tonnage as to make it of universal service. Happily the United States, with its ocean fleet increasing daily, is in a fair way to set an example in this as in other matters involving international problems of reconstruction, and American business may well consider a memorial to our own Government, and through it to the peace conference, for the adoption of such plans during the period of reconstruction as will assure a joint control and distribution of overseas shipping to provide all nations with their immediate needs of food and with raw materials, and transport for their products.

You may hold that the suggestions which I have presented for your consideration are more idealistic than practical, and that human nature exhibited in international as well as individual affairs will not readily forego competitive advantages arising from fortunate position with respect to these things, yet because a right adjustment of these basic problems is absolutely essential to successfully solving the internal problems of reconstruction or readjustment, I am ready to maintain that lack of consideration on these points by nations having the power to thus contribute to equitable reconstruction will impose unnecessary hardships upon many and will lengthen and make infinitely more difficult the processes of reconstruction for us all.

Whatever may be thought of the idealism of the suggestions, it can hardly be contended that these are not subjects embraced in economic reconstruction in which the business men of America should be permitted to express a judgment and to counsel with regard to the best means of making effective such controls as the international conference may be able to agree upon.

With this in mind I addressed a letter to the President on November 23d, containing the following inquiry:

"Would it be helpful if American industry should name a thoroughly representative committee, particularly informed regarding the basic industries of the country, to be present in France during the course of the Peace Conference and available for counsel on such phases of the peace negotiations as may bear directly upon commerce and industry? If such a group would be useful, great care would be taken to select men having the largest vision and the most generous impulses in connection with the resumption of industrial activity throughout the world."

To this inquiry the following reply was received:

"You may be sure that I would send a message to the meeting at Atlantic City, if I knew what message to send, but frankly I do not. It is a time when we must all thoughtfully take counsel and apply the wisest action to circumstances as they arise."

"I am of course, engrossed with preparations for leaving for the other side. I hope that you will extend my warmest greetings to those who will assemble at Atlantic City."

It has been ascertained that for a considerable period of time statistics have been ably compiled regarding American industries, these statistics being available for the guidance of those who may conduct peace negotiations in our behalf.

Upon the point of an advisory industrial commission, with whom the members of the Peace Conference might take counsel as occasion requires, the letter is silent, except in the broad statement that "We must all thoughtfully take counsel and apply the wisest action to circumstances as they arise."

Counsel can hardly be taken except where minds meet and personalities come in contact with each other. The counsel of statistics cannot adequately represent American business.

Since in questions of economic reconstruction other nations will undoubtedly be adequately represented with the most expert support that can be marshalled, it is for American business to determine whether it regards the matter of sufficient importance to advocate the appointment of a commission whose continuous presence in Paris will provide like representation on behalf of American industry.

Coming now to the problems of internal readjustment, they are many and varied, some of general interest, while others are singular to specific industries.

Tearing asunder the normal relationships of business—compelling suspension of activity in

some instances, reconversion in others, and greatly accelerated operation in still others, all to meet the emergency of a war program—is properly a function of the Government with such acquiescence and aid as business may provide, but the task of making readjustments, or rebuilding those same industries into their old uses and efficiency, is the function of business with such acquiescence and aid as the Government may provide.

Insofar as war contracts are concerned, and the control of basic materials that entered largely into war production, the Government must needs adopt a liberal program with regard to the cancellation of orders, and a willingness to retain possession of the materials owned and controlled, releasing them only so fast as the market can readily absorb these commodities without breaking prices to an unwarranted extent or stopping production during the period required to digest government-controlled stocks.

Advantages in Combination

UPON the former question the Chamber of Commerce presented an appeal to the President prior to the signing of the armistice and we may feel reasonable assurance that the Government will, so far as possible, be considerate of contractors in closing down the operations of war plants.

The principle of price-fixing is another problem that should have the consideration of business, especially with respect to the desirability of having price-fixing machinery maintained temporarily in some form in the effort to stabilize values, to provide against a too-rapid price fluctuation seriously affecting inventory values, which, in part at least, must underlie commercial credit, and to cushion the recession which must follow a period of excessively high prices in a manner that will bring about a gradual adjustment with as little loss and uncertainty as may reasonably be expected in the return to normal conditions.

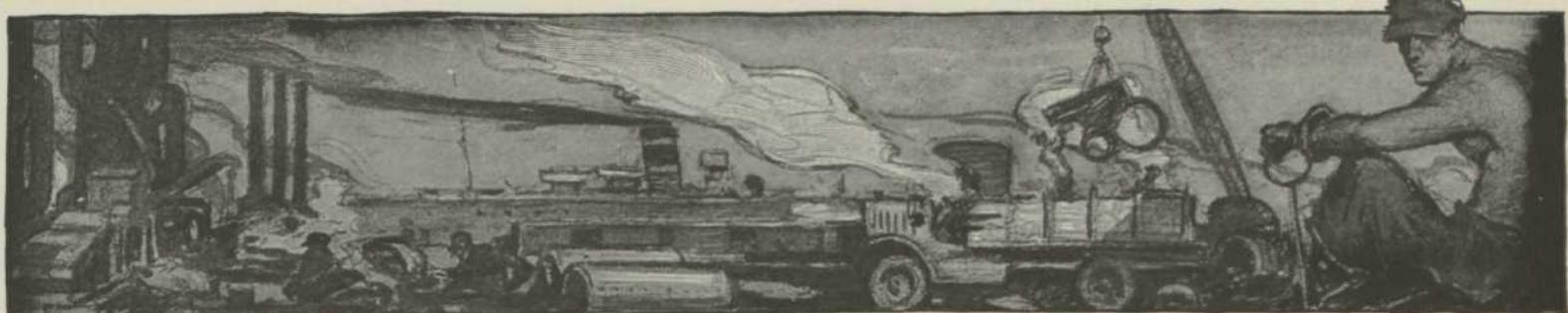
Another problem of internal readjustment has to do with the treatment that will be accorded to our new industries largely developed to supply commodities formerly imported from Central Europe. None of these would now be classed as major industries. Their annual production is comparatively small, even where they are now supplying all of our domestic needs, but unless some means is found for protecting them for a further period against the renewed competition of the countries from which these products were formerly imported, they will be overwhelmed and we will again be dependent upon others for these important supplies.

An important problem of readjustment is the question of whether the right to combine, permitted in foreign trade under the Webb-Pomerene Bill, should, by amendment of our trust legislation, be extended to domestic operations.

Under the supervision of those departments, boards or administrations charged with the direction of production and distribution of food, fuel, and war supplies, co-operation as between the units of a single industry and between separate industries, has been encouraged quite in violation of federal and state laws prohibiting such relationships. Many of these associations have proved of great value in speeding up production, in conservation of materials, labor and transportation needed for war purposes, and none, so far as I know, has been found to contravene the public interest.

One of the by-products of the war has been the demonstration that combinations, under proper federal supervision, may be safely and

(Concluded on page 61)



Champions All

FOREIGN TRADE is not to want for its doughty yeomen if the Department of Commerce and the State Department have their way. In asking Congress for appropriations the Bureau of Foreign and Domestic Commerce has set out projects for doubling its staff at Washington. It argues for eight new chiefs of division, a traffic expert, a foreign-exchange expert, commercial economists, trade counsellors, an expert in foreign advertising, additional statisticians and even a foreign trade employment director.

Its plans for investigations abroad are even more largely expanded. It requests that for this purpose its appropriation should be trebled. It would like to have 28 trade commissioners for example instead of 9. Whereas it has now but one commercial attache at a salary of \$8,000 it desires 5, and would add 5 at \$7,000, with enough at lower salaries to bring the whole number to 19. Altogether the Bureau sees ways in which it could spend \$1,155,000 in twelve months, in place of the \$504,000 it now has.

The State Department, too, wishes to increase its services. It points to the enormous international responsibilities before the United States in finance and commerce as well as in international politics. It asks increases not only in its diplomatic staff but in personnel to deal with business and economic questions. For example, it seeks authority to have 25 economic experts to assist consular officers. It sees need for even more officials of this type in the period of high commercial activity it expects to follow the signing of a treaty of peace. Moreover, it has places where it should have 20 more consuls with salaries averaging \$4,000, if Congress will provide the money. That headquarters at Washington may not fall behind in its task the Department sets out its plans for increasing drafting officers from 11 to 108 and to employ 8 assistant solicitors where it now has 5. In many of these requests the Department has the support of such bodies as the War Trade Board.

From the point of view of the Department of State and the Department of Commerce our interest in international trade and questions of international economic importance is taking on new and enlarged significance.

The Easiest Thing To Sell

THE Confidence Man is a wary chap. He has even devised ways to evade the control of the Capital Issues Committee. For this purpose he ceased selling handsome certificates of stock and dispensed "memberships." He concocted companies which had neither goods nor places of business but seemed to have no difficulty in disposing of "memberships" which in return for \$25 entitled the purchaser to do business through these ghost concerns.

In another instance there was a manufacturing plant of a sort, and "memberships" accordingly had some value but only 42% of the money paid by purchasers actually got into the business.

It Is Over, Anyway

THE end of the war was a goal so devoutly desired while war was in progress that no more definite phrase seemed necessary even for incorporation in legislation that conferred extraordinary powers. In England as here the idea found legislative expression in numerous forms—"for the present war" "during the continuance of hostilities" "after the restoration of peace" are merely examples. The British Attorney General had eventually to appoint a committee to decide when the war would end

anyhow. The conclusion was that the war will end when the treaty of peace is finally binding on the belligerents and that will be the date when ratifications are exchanged.

Upon the purely legal question about the exact end of the war some of our authorities would apparently disagree slightly with their British contemporaries. They would place the event at the actual signing of a definite treaty of peace assuming that the subsequent formalities will follow and not waiting for the eventual exchange of ratifications. The matter has not been left to them however, for most of our war statutes specify not that the powers they grant expire with the end of the war but that they end when the President issues his proclamation that the war has ended with a treaty of peace.

Politics Is Dull Business

POLITICAL situations at times get complex as the legislation in one of the provinces of Argentina has recently demonstrated. While the governor was away and when the provincial treasury was in such a state that the central government had assumed the cost of maintaining the schools the legislature voted to its members substantial increases in salary. When the vice-governor vetoed the bill the legislature retaliated by solemnly declaring the vice-governor was insane and appointed a medical commission to examine into his mental condition.

The course of every-day life in the wealthy province goes its accustomed way notwithstanding these events in the legislature. When a local business man lately referred to the feud between legislators and executive he was interested enough merely to pronounce the whole business exceedingly dull.

Some Thoughts For Germany

NEW industries that have developed in the United States since the European war began in 1914 have an important place in the Tariff Commission's annual report. In 1917 some 190 firms were manufacturing coal-tar chemicals and 81 making dyes. In 1918 progress was made in remedying the earlier defect in our production of coal-tar dyes in that but small quantities of indigo and fast vat dyes were made in our plants.

Citric acid, lactic acid of an edible grade and formic acid are being made from American materials. Chamoisette gloves which used to come from Saxony have been added to our domestic products. The development of our heavy-chemical industry is part of the history of the development of our strength in war.

Optical glass which used to come from Germany was developed in seven months. Glass for pictures and photographic plates is being made by a machine process that will defy foreign competition. Siphon bottles of which Germany and Austria sold us 1,000,000 a year are turned out by an automatic machine.

New devices and systems have increased the competitive power of our potteries. Decalcomanias for transferring designs to white ware 60% of which used to come from Germany and 40% from England now come to the extent of 90% from American factories. Porcelain guides which our textile mills used to buy in Germany for their looms are now American made. Chemical pottery, the manufacture of which was practically unknown in the United States has become an item in our industries. In little more than a year the War Department called for \$8,500,000 worth of surgical instruments and our manufacturers who had made mostly soft-metal goods responded and replaced the steel articles that Germany used to supply.

The Heart Behind Our Power

We did not like Germany's method of doing business. We must avoid her foreign trade vices. World commerce means world service

By WILLIAM C. REDFIELD

Secretary of Commerce

WE stand, as regards our foreign trade, in an altered position from that which existed before the war. The problems of the future are new, our standpoint is new, our relation to them is new. The facts on which our thinking was based up to that same mid-summer are altered. The nation has a new vision. It has made new and unprecedented sacrifices. It may be called upon for more. We are associated more closely with other nations than we ever dreamed was possible. In facing the new situation, we may look for facts and study movements but we must not dogmatize. In what follows I am giving only personal views and impressions which should not be understood as an official announcement of policy.

Our country which looked to London and Paris and Amsterdam, perhaps—I am sorry to say—to Berlin and to Vienna, for funds with which to operate here, so that many of our large corporations had part of their capital owned in those financial centers—your country is now the greatest creditor nation in the world. The great debt owed to Europe has long ago been paid and Europe now owes us over \$8,000,000,000 and she will add to it.

Of course we need and are to have a large and expanding foreign trade, free, as soon as may be, from all restraints save those of economic law. The Department of Commerce has asked of Congress largely increased appropriations for our commercial service. We hope to carry the Gospel—it ought to be a real "Gospel"—the Gospel of American desire for business service all over the world until it shall have fruitage in every land.

The German Method

BUT let us think for a moment what that means. Is it either business or service to go abroad to grasp and get regardless of the method or the effect? Did our vision and our unselfishness lapse on the 11th of November? Is it true, as was I think carelessly said by a gentleman in one of the war services to my associates, that patriotism ended when the armistice was signed? I think not. We have not liked, you and I, the German methods of carrying on foreign commerce any more than we liked German militarism. They came here backed up by a government organization which permitted concerns to pool their losses, which allowed them to sell in one country so that tariffs might be useless and make up the difference by high prices in another land, which gave them preferential rates on railroads and special advantages on government controlled steamship lines and

their campaign was at times accompanied by a wholesale system of bribing. We did not like that then. We must not act in a similar spirit now or ever. We can not change the American eagle which flies high to the hog which roots low.

Commerce, if it is to stay, must be a constructive force and never a destructive thing. We resented the German attempt at economic conquest backed up by military force, but it would be quite as evil if we allowed the power of economic force, ruthlessly exerted throughout the world, to grasp for our sole profit the

Beyond the Three-mile Limit

THREE is no doubt, humanly speaking, that prosperity lies ahead for America, but there is yet an unsolved doubt as to what use America will make of her prosperity. Do we think of our sister nations as twenty years ago a trust magnate thought of the concerns whose business he would like to grasp? We have outgrown that in our domestic commerce. I do not speak of it as being illegal—it is more illegal today in the minds of the business men than on the statute books, but when we get beyond the three-mile limit, are we going to be as far advanced in our thought as we are at home?

Can we carry the spirit of American law where the law of America does not prevail? If we do not, we may become fat and rich and possibly win the contempt of the world in so doing. Will our thought be to aid, with a spirit of service running through all, serving those who have served us first?

How will the world feel toward America twenty years hence? It all depends. If you can leave to your sons as they go about the earth the knowledge that America rose to a height of marvelous power, financial, military, political, industrial, and economical, and she used that power to her own good always and also always for the good of the world, then your sons can walk as no German can walk, can travel the whole round orb of the globe, among friends knit to one another with bonds of esteem and affection which can not be broken.

commerce of the world. Commerce is an evolution, a growth, and it is not commerce in any just sense unless it benefits all concerned. We must serve the world if we are to be on safe foundations ourselves. The mere entering a foreign market by force of cut prices or of off-quality goods or by "dumping" or by untruthful advertising, or by force of government aid or political power is in no true sense commerce, nor will it last.

The Other Fellow's Viewpoint

WE then never thought in our happy America of the shortage of food. The man who told us that we were at some time every year within three or four months of starvation was but is no longer merely an interesting theorist. We have sent our boys into the fight; we have given up our businesses and we have taken food from ourselves and from our children that we might have less that others might have more. It has altered American thought toward the world and it has altered also the thought of the whole world toward us.

Put yourself today, if you please, in the place of a British, French, Belgian or an Italian banker or publicist. You would not be accustomed to owing somebody on the western side of the ocean. You would wonder what they were to be as creditors. Were their needs or disposition such that they would give you a chance to get on your feet before they called on you for payment? Looking, you would have seen in the west a vision of enormous power. You would have seen it develop from peaceful industry into war industry upon a colossal scale. It suddenly, so it would seem, had poured forth great armies with others coming and supported them with vast economic and financial resources.

It would be quite natural that you should say as a European publicist or business man—What is the spirit and purpose of this tremendous power? What will it do? You see the world has visualized American strength and found it vast. What is the heart that is behind the power? What will they now do with the power which they have acquired? This serious question they cannot but raise; we must answer.

The Ethnologist Helps Out

WE must sell goods that others want and not unload those of which we would like to be rid ourselves. Let me illustrate with a story. In Central America are Indians, who by reason of their natural habitat and customs are rather large buyers of certain textiles. Three countries had tried to sell them such goods without much success, Great Britain, Germany, and the United States. At last the Germans did what seems normal to a German. They went to an ethnologist, and asked him what the difficulty was. He told them that as part of the religious cult of these Indians they regarded certain symbols and colors as lucky and others as un-



This Chinese street vender is getting his audience in a spending mood by a little vaudeville entertainment. We call particular attention to the smiling gentleman with the "specs" at the right of this picture watching the show.

If the United States is to sell goods to the mind behind that smile, how is it to reach that mind? German exporters, says Secretary Redfield, would consult an ethnologist—the scientific method. What would our exporters do?

lucky and that it would be a wise thing to print only such designs on their goods and use such colors as were considered by the Indians to be lucky and avoid those symbols and colors that were considered unlucky. By that method, which after all is a scientific method, namely to ascertain truth by study in advance of action, Germany got that business. It is a simple lesson. How many of you would select orange colored goods for sale in Dublin or invade the markets of Asiatic Turkey with articles bearing designs of the Holy Cross?

Best Neighbor Is a Rich One

CERTAIN conditions make it difficult for us to hurry about even this effective service. Let us think for a minute. The nations of the world are in debt and we are perhaps the largest creditor. Suppose we did get busy now, all of us quickly, and hustled for sales all around the world. Where is the buying power and from whence are the credits to come? Great Britain and France and Italy are not now in their former favorable position to buy merchandise in the general market, nor are Australia nor South Africa nor New Zealand nor Canada. They have been buying other things. They have other duties now. They have not yet paid fully for all past purchases and they are not able to purchase as before the war.

We ourselves must sell them so many other things and furnish them so many credits with which to pay us for the goods we must sell them that we must be cautious in our own interest lest we are in the position of him who holding the obligations of a friend takes from

the friend the means of readily paying these obligations. It is the merest common sense so to proceed that those who owe us largely, and must purchase from us largely shall have their earning and therefore their paying power restored as soon as possible.

These facts seem to emerge plainly out of the near future. First, the world is going to need food on an unprecedented scale. We may leave aside the question as to whether Germany can feed herself sufficiently during the coming winter. We do know that famine stalks through Russia, that perhaps 40,000,000 or 80,000,000 people there will not have enough to eat. The Bolshevik would tell you that the famine is the price that they have to pay for this type of freedom. But shall we, if it turns out to be so, shall we be content to let them starve? Before that question is raised, however, we must be sure that Belgium, Serbia, Poland, Armenia, France, Italy, and Great Britain have enough to eat. That means many million tons more of food than we have ever sent abroad before, possibly as much as 18 or 20 million tons of food in the next year.

Great Britain has done little building for four years past and is reported to be a half million dwellings behind for her population. In Northern France 300,000 dwellings have been destroyed in the devastated area alone. Serbia is probably almost or quite wanting so far as her dwellings are concerned. It seems true of Poland also. It is somewhat true of Belgium. Probably in all continental Europe a million dwellings must be erected just as speedily as possible, leaving Great Britain out

of consideration for the moment. The raw material for these dwellings, the lumber, the cement, the hardware and other things must in no small part come from here. That does not touch the factories at all or the roads or the bridges, the railways, or the public utilities. Most of the French steel industry has been destroyed by the war and France needs locomotives, railways and bridges soon—she needs millions of tons of steel, needs machine tools and textile machinery. Are we going to sell elsewhere first and let France wait? I put it fairly to you, as a personal proposition. You are a shipper of machine tools or textile machinery. Will you see that Belgium and France get what they need or will you start trade where the need is less even if you profit more? It is not altogether an altruistic question. Upon the spirit of the answer may depend the commercial good will of America abroad in the coming years.

The Source of Raw Materials

WE have a second great task before us, namely, that of supplying the world with the raw materials and working equipment. Other countries have materials but few with raw materials have our organization and fiscal power; for that reason we shall be called upon to furnish the major part of them.

Now comes a third problem. Who is going to pay the bills? We have a debt over which we would have signed four or five years ago and now, in spite of it, we are going to lend more, for we must. Shall we let Belgium

(Continued on page 78)



Taken especially for *The Nation's Business* by *Vander Weyde*, New York City

Centuries ago the monarchs of Spain melted their jewels to build ships to discover a new world. By a selfish and uneconomical use of these ships, after brilliant discoveries, they forfeited not only their sea power but the commercial health of the nation itself. We, too, have melted our jewels

to build ships to help create a new and better world. To what end shall we operate them? The lights of Hog Island, burning feverishly through the night, as shown in this photograph, have given us a vision of fairer and more generous contacts with the other nations of the earth. To what end?

Ships and the Average Man

The Man Who Made Our War Emergency Fleet Prescribes Its Use In Time of Peace

By CHARLES M. SCHWAB

Former Head of the Emergency Fleet Corporation

THE real problem of the business man is still before us. It is an exceedingly difficult one. I shall state some of the problems of a general character that we must face, and work out. The first thing is a great change in the social structure of this country, a change ultimately for the better, for the happiness of mankind and the development of human nature, a change by which the aristocrat of the future will be the man who has done something for his fellow men.

We have been called a materialistic nation—a great manufacturing nation, a great nation of merchants and business men. It was the custom in old-time Europe and in other countries so to think of us.

I have always been proud of the fact that I am a citizen of a nation that can be so called. The industrial people are the backbone of the nation; they are the people who will make our nation what it ought to be.

The work I have had before me for the past nine or ten months in the building of ships with the Emergency Fleet has been exceedingly interesting. This work was an engineering problem, not engineering of construction or of a machine, but what I call an engineering of the human mind and of the human body.

When I undertook with my associates, who have been so loyal and so able, the construction of a merchant marine for the United States, I realized that there was just one possibility for success, and that success was not to come about by reason of the shipyards or the engine works, or the boiler works, or anything else that we might construct, because that would require time and years of development. It could be brought about in an emergency quickly only by appealing to the best energies and the patriotic endeavor of the citizenship represented by the workmen of the United States.

That we succeeded in this undertaking I am happy to say has been beyond doubt. You will perhaps be interested to know briefly about it.

Before this year the maximum output of ships in the United States in any one year was something less than four hundred thousand

tons. During the month of October there were placed in commission in the United States 416,000 tons of shipping. In the month of

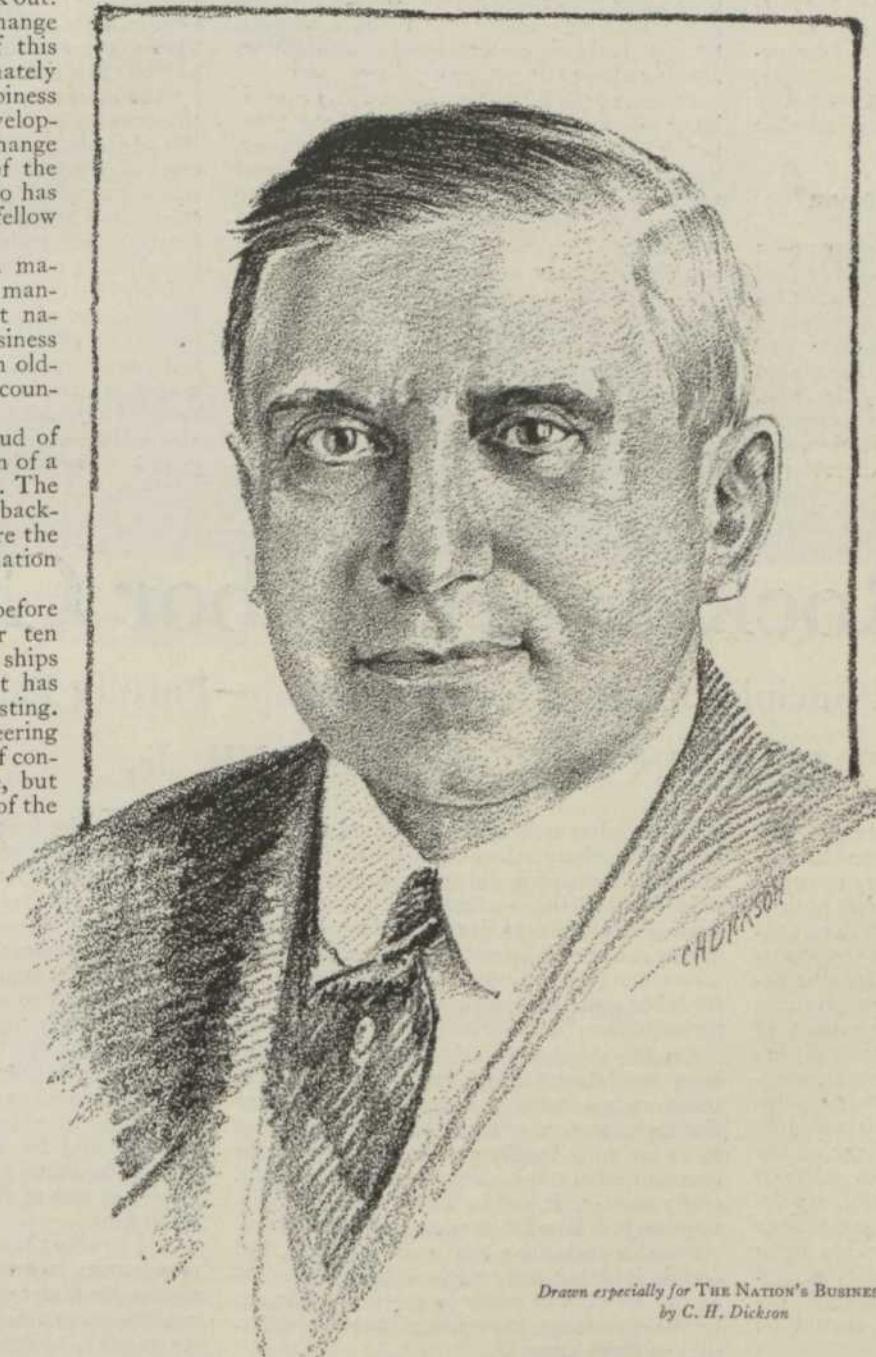
operation. A great merchant marine is essential to the United States for its ultimate success. Its successful operation is not for the benefit of any one man or class of men, or any one branch of business, but it is for the good of every individual citizen of the United States.

I do not care what plan, in the opinion of our great legislators at Washington, may be best for the operation of these ships, so long as they are operated economically and so long as the expense of operation is not borne by any one or few, but by the whole people. No American shipbuilding can be profitable or successful or enlist private capital today, as shipping is now operated. The people who constitute the chambers of commerce, the manufacturers of the United States, must raise their voices for the successful operation of our mercantile marine. Do not let the cry that only a few may profit by subsidies or otherwise deter you in the least.

I do not care in what form the people pay the bill. If the Government operates the ships themselves and operates them at a loss, the people pay the bill. If the ships are operated by private concerns and a loss accrues that is made up in some form of subsidy, the people themselves pay the bill. So that whatever form may be adopted, we must find some way of doing it.

I do not hesitate to say, however—not as a politician, because in that I have never had any part—that the real development of any great enterprise depends on the individual initiative of the American business man. I do not believe that we will ever get the full economical development of any great branch of American industry that is not developed under private enterprise and by private capital.

What part has this in this great transition? I will tell you. It is well illustrated by the steel industry. During this year the steel industry will have made approximately forty-five million tons of steel. Before the war twenty-five to thirty million was considered a big output. This great development has been brought about by needs of the war. In my opinion it is higher on the average than the amount which this country needs at this time.



Drawn especially for THE NATION'S BUSINESS
by C. H. Dickson

November, for which we have not received the exact figures, I anticipate that we shall have placed in commission something over 500,000 tons of ships.

We may construct one hundred million tons of ships, but they will have no value to this great nation of ours unless we do what is more important than the construction of ships, and that is to devise the ways and means for their

This country will rapidly develop to the full need of it, but at this moment it is more than we need for domestic wants. Our great outlet for all our manufactures must be foreign markets. How are we going to get into the foreign markets? The shipyards of the United States during the year 1919 are capable of producing with ease, and economically, between eight million and ten million tons of ocean shipping.

The total ocean tonnage which the United States will possess at the end of that period, will, if properly and economically operated, furnish a merchant marine that should make our industries secure in this transition period.

There is one other question of great and timely importance, to cover which no one can lay down general rules. That is the labor question.

I am one of the men who believe in the fairness of American labor. The only foundation upon which any of these things can permanently rest is the economic use of everything, whether it be labor, material, or what not. Any foundation of organized labor or capital that is on a false basis must fail.

Get Closer to the Workingman

We started in some twenty years ago on a series of exploitations that many people called "trusts." There were many such concerns organized that had as their prime motive the artificial idea of either restricting production or increasing the selling price. You have seen them, one after the other, fail and fade away. They were on a wrong basis. Our Congress, our legislature in Washington, realized it, and rightly and justly took steps to correct it.

What has been true of capital will be equally true of labor, and therefore the education of the American laboring man must be to have him realize that his happiness and success, and the success of the nation, will depend upon labor conditions and capital conditions that are founded, first of all, on economic principles. You know, I have had my hand in this matter of the organization of capital. I know something about it; I know what I am talking about.

I am not opposed to organized labor. I believe that labor should organize in individual plants or amongst themselves for the better negotiation of labor and the protection of their own rights; but the organization and control of labor in individual plants and manufactories, to my mind, ought to be made representative of the people in those plants who know conditions; that they ought not to be controlled by somebody from Kamchatka who knows nothing about what their conditions are.

In years gone by, I questioned many times if labor has received its fair share of the prosperity of this country. We, as manufacturers, have got to open our eyes to a wider vision of the present and the future with reference to our workmen. We have got to devise ways and means by which capital and labor shall share equally, not only in theory, but in practice. That is one of the lessons this great war has taught us—true democracy. The thing we have to do is to teach, not patronize, to educate and have the American laborer feel that he can stand with his head in the air and say with pride, "I am an American citizen."

Matters will adjust themselves industrially in this country sooner or later by the natural

course of events, but what we want to prevent is that sudden slip of the cog which will give us a social jolt that may be dangerous to our industries for years to come. We must be patient. We must go along with small or no profits, if necessary. We must get closer together with our working people. We must listen with patience to their side of the story, and we must induce them to listen with patience to our side of the story.

Back on the Old Job

MY work in Philadelphia and in Washington in connection with the Fleet has been exceedingly interesting. It is exceedingly interesting now. It is very important now. I telegraphed, however, a few days ago to the President of the United States that, important as this work at Washington was, I felt that having 170,000 employees of my own and a payroll of twenty-five million dollars a month, I could be of greater service to this nation and this country by retiring from the work I had in Philadelphia to the study of important questions that would arise in connection with this transition period in the various industries of the United States, and I begged to be relieved from one important duty to take up what I believed to be a still more important duty.

I am an optimist. I am not a pessimist. During my career in business life, during periods of greatest depression, I have never lost confidence in the United States or in its manufacturing and industrial position. Periods of retraction and recession and depression have come, but the grand curve and the general trend is always upward and onward.

The Rockefeller Labor Creed

A Program of Ten Principles for the New Partnership—Putting Fair Play to Work

By JOHN D. ROCKEFELLER, Jr.

ORGANIZATION has its danger. Organized capital sometimes conducts itself in an unworthy manner, contrary to law and in disregard of the interest both of labor and the public. Such organizations cannot be too strongly condemned or too vigorously dealt with. Although they are the exception, such publicity is generally given to their unsocial acts that all organizations of capital, however rightly managed or broadly beneficent, are thereby brought under suspicion.

Likewise it sometimes happens that organizations of labor are conducted without just regard for the rights of the employer or the public and methods and practices adopted which, because unworthy or unlawful, are deserving of public censure. Such organizations of labor bring discredit and suspicion upon other organizations which are legitimate and useful, just as is the case with improper organizations of capital, and they should be similarly dealt with.

We should not, however, allow the occasional failure in the working of the principle of the organization of labor to prejudice us against the principle itself, for the principle is fundamentally sound. In the further development of the organization of labor and of large business, the public interest as well as the interest of labor and capital alike will be best advanced by whatever stimulates every man to do the best work of which he is capable.

While labor unions have secured for labor in general many advantages in hours, wages and standards of working conditions, a large proportion of the workers of the country are outside of these organizations and are to that extent not in a position to bargain collectively. Therefore an adequate plan of representation for labor must be more comprehensive and all inclusive than the labor union as now organized.

On the employers' side representation has been developed through the establishment of trade organizations, the purpose of which is to discuss matters of common interest and to act in so far as is legally permissible and to the common advantage, along lines that are generally similar. It will be a nice problem to determine just how labor organizations and employers' associations can work together, but certain it is that some method should be worked out which will profit to the fullest extent, by the experience, the strength and the leadership of these groups.

Wouldn't it Help Industry?

MIGHT not the parties to industry subscribe to an industrial creed somewhat as follows:

1. I believe that labor and capital are partners, not enemies; that their interests are common interests, not opposed, and that neither

can attain the fullest measure of prosperity at the expense of the other, but only in association with the other.

2. I believe that the community is an essential party to industry, and that it should have adequate representation with the other parties.

3. I believe that the purpose of industry is quite as much to advance social well-being as material well-being and that in the pursuit of that purpose the interests of the community should be carefully considered, the well-being of the employees as respects living and working conditions should be fully guarded, management should be adequately recognized and capital should be justly compensated and that failure in any of these particulars means loss to all four.

4. I believe that every man is entitled to an opportunity to earn a living, to fair wages, to reasonable hours of work and proper working conditions, to a decent home, to the opportunity to play, to learn, to worship and to love, as well as to toil, and that the responsibility rests as heavily upon industry as upon government or society, to see that these conditions and opportunities prevail.

5. I believe that industry, efficiency and initiative, wherever found, should be encouraged and adequately rewarded and that indolence, indifference and restriction of production should be discredited.

6. I believe that the provision of adequate



The editor's great regret in printing this speech by Mr. Rockefeller is that he cannot recreate for the reader all the feeling of approval and sympathy with which it was delivered at Atlantic City. A deep emotion stirred the

hearts of his hearers; it was something unspoken, something perhaps which could not be spoken. Men mentioned it afterwards. Yet no one named it. But this photograph holds this very feeling. Does it not help explain?

means for uncovering grievances and promptly adjusting them, is of fundamental importance to the successful conduct of industry.

7. I believe that the most potent measure in bringing about industrial harmony and prosperity is adequate representation of the parties in interest; that existing forms of representation should be carefully studied and availed of in so far as they may be found to have merit and are adaptable to the peculiar conditions in the various industries.

8. I believe that the most effective structure of representation is that which is built from the bottom up, which includes all employees, and, starting with the election of representatives in each industrial plant, the formation of joint works committees, of joint district councils and annual joint conferences of all the parties in interest in a single industrial corporation, can be extended to include all plants in the same industry, all industries in a community, in a nation and in the various nations.

9. I believe that the application of right principles never fails to effect right relations; that the letter killeth and the spirit maketh alive; that forms are wholly secondary while attitude and spirit are all important, and that only as the parties in industry are animated by the spirit of fair play, justice to all and brotherhood, will any plans which they may mutually work out succeed.

10. I believe that that man renders the greatest social service who so co-operates in the organization of industry as to afford to the largest number of men the greatest opportunity for self-development and the enjoyment, by every man of those benefits which his own work adds to the wealth of civilization.

In the days when kings and queens reigned over their subjects, the gratification of the desires of those in high places was regarded as of supreme moment, but in these days the selfish pursuit of personal ends at the expense of the group can and will no longer be tolerated.

Men are rapidly coming to see that human life is of infinitely greater value than material wealth, that the health, happiness and well-being of the individual, however humble, is not to be sacrificed to the selfish aggrandizement of the more fortunate or more powerful.

The Man Behind the Wage

MODERN thought is placing less emphasis on material considerations. It is recognizing that the basis of national progress, whether industrial or social, is the health, efficiency and spiritual development of the people. Never has there been a more profound belief in human life than today. Whether men work with brain or brawn, they are human beings, with the same cravings, the same aspirations, the same hatreds, the same capacity for suffering and for enjoyment.

As the leaders of industry face this period of reconstruction, what will their attitude be? Will it be that of the standpatters, who take no account of the extraordinary changes which have come over the face of the civilized world and have taken place in the minds of men, who say: "What has been and is must continue to be—with our flag nailed to the mast, we will fight it out along the old lines or go down with the ship," who attempt stubbornly to resist the inevitable and, arming themselves to the teeth, invite open warfare with other parties in

industry, the certain outcome of which will be financial loss, inconvenience and suffering to all, the development of bitterness and hatred, and in the end the bringing about through legislation if not by force of conditions far more drastic and radical than could now be amicably arrived at through mutual concession in friendly conferences?

Or will it be an attitude, in which I myself profoundly believe, which takes cognizance of the inherent right and justice of the principles underlying the new order, which recognizes that mighty changes are inevitable, many of them desirable, which, not waiting until forced to adopt new methods, takes the lead in calling together the parties in interest for a round-table conference to be held in a spirit of justice, fair play and brotherhood? Thus they can work out some plan for co-operation which will insure to all those concerned adequate representation, an opportunity to earn a fair wage under proper working and living conditions, with such restrictions as to hours as shall leave time not alone for food and sleep, but also for recreation and the development of the higher things of life.

Never was there such an opportunity as exists today for the industrial leader with clear vision and broad sympathy permanently to bridge the chasm that is daily gaping wider between the parties in interest and to establish a solid foundation for industrial prosperity, social improvement and national solidarity.

Who, I say, dares to block the wheels of progress, and to fail to recognize and seize the present opportunity of helping to usher in a new era of industrial peace and prosperity?

Foreign Trade: The Play Is On!

A narrative of the forces which have pushed us, stage-struck, upon the scene of world trade

By JAMES A. FARRELL

President, U. S. Steel Corporation

THE task before us today in respect to foreign trade expansion, is not so much to convince, as to advise and guide. Entrance into foreign trade is no longer a matter of choice with us. Everybody in these times is ready to concede the significance of the fact that the American industries presenting the most nearly unbroken record of prosperity and sustained labor employment are those which have been accustomed regularly to market overseas from 10 to 35 per cent. of their products.

Most men who think on the subject at all are prepared to go a step further and to concede that the production of commodities upon a competitive basis of cost, in amounts sufficient to supply home consumption and furnish material for foreign trade, will be the basis of our future national strength and prosperity.

On the money side, there is equal readiness to agree that strength of finance will count for even more than it has ever done before in the development of external commerce. We must be able to spare both capital and credit.

More than this, there can be no great revival of trade in the countries where we hope for it most, unless we are ready to provide capital for their development. We must enter into the industrial life of those countries, engage in enterprises with them and create out of their resources the new wealth from which will come our pay. Habits of investment are acquired by experience, and conditions in this country have favored investments in local enterprises.

We have just begun to acquire experience with investments outside of the country, and the development among us of a body of cosmopolitan investors such as has long existed in England, must vitally affect the future of our foreign trade. A very important contribution has been made to the financial education of our people in the new familiarity which the bond subscriptions have given them with investment in securities.

A Test for the Webb Law

IT is sufficiently plain that our commercial banks cannot properly tie up the deposits of their customers in stocks and bonds of foreign corporations, no matter how good they may be, and that any such form of investment is beyond the power of the savings banks. We must therefore look to private investors to assure the broad and deep foundation on which must be reared the American foreign commerce of the near future.

It may be hoped that the structure will be raised the more easily because of the concession tardily secured from Congress in the shape of what is known as the Webb Act. This you know was a measure to which we had to devote three years of continuous agitation and which was intended to relieve export trade from the paralyzing influence of the anti-trust laws. These not only prevented concerted action by business men in foreign markets, even among producers of non-competing goods, but they

hampered the financing of the results of any combined effort whose legality was open to question.

Meanwhile, it was possible for leagues of foreign buyers skillfully to play one group of American producers against another and secure the materials they had to sell at less than domestic prices.

The Webb bill promised freedom to American export trade, opportunity to smaller American manufacturers and stimulus to our entire American commercial and industrial life. It has at last become possible to put to the test its efficacy in providing for the maintenance of highly organized export service at a minimum cost to the participants. We shall soon discover whether our expectations are to be justified.

The value of presenting a united front, industrially, commercially and financially, in foreign markets, cannot well be overestimated. The abnormal conditions, attending the period of economic reconstruction that lies immediately before us, will of course demand the broadest and most generous interpretation of the fight of combination.

Too Big for Private Enterprise

AS I found occasion to say at another time, it is difficult to realize the colossal scale on which Europe will have to borrow to make good the destruction of war. Billions of dollars worth of property will have to be replaced and the demands of the work of reconstruction will be too vast to be met by private enterprise. In the presence of the gigantic needs of the war-swept territories in Europe and of their poverty-stricken population any application of the old time methods of competition must sound trivial.

Co-operation on a large and magnanimous scale and in the most sympathetic spirit must be the rule if the economic recovery is to be quick and thorough. Moreover we shall greatly lessen the possibility of perpetuating in the domain of commerce the hatred and bitterness engendered by the war if we refuse to be drawn into any convention, agreement or understanding that would make us parties to a boycott of the commerce of any of the nations that have been arrayed against each other.

Germany's policy of peaceful penetration in the economic sphere was the forerunner of the war of aggression which she launched in 1914. But, when we have exposed German ambition and denounced German methods, it would be a curious way of preventing their revival by committing ourselves to the acceptance of German principles. Only on the theory that the menace of Prussian militarism must survive can there be any reason found for looking to the future security of the world in the waging of a perpetual bloodless war, inspired by the same enmities, suspicions and fears that but lately divided the world.

Nor can the fact be ignored that in a trade war, as in the class of military force, the balance of slaughter must be reckoned with, since

the casualties cannot all be on the other side. It is certain that if Germany is to be compelled, as she ought to be, to repay the wanton destruction she has wrought in Belgium, Northern France, Poland and Serbia, she must have access to the raw materials of manufacture, in the conversion of which into finished products she may earn the money needed to pay her debts.

As a matter of fact, given the frank acceptance by Germany of the terms of peace which will be dictated by the Allies, there can be no reason for separating her economic wants from those of the rest of Europe. These will be sufficiently imperative to use up all the surplus foodstuffs and raw materials that can be spared for many months to come.

I take it that we are all desirous to see the Government in our own country as well as the governments of our Allies, release the control over commerce, industry and transportation which has been justified by the necessities of war. But we have to recognize the fact that the revictualling of Europe is an enterprise which can only be conducted under governmental direction and under the control of an international commission in which all the countries either needing assistance or being able to extend it would be represented. It is a subject for legitimate satisfaction that by common consent an American should have been chosen to supervise this work.

Meanwhile, the War Trade Board finds in the changed situation arising out of the signing of the armistice a justification for changing many of the regulations governing the exportation of certain commodities.

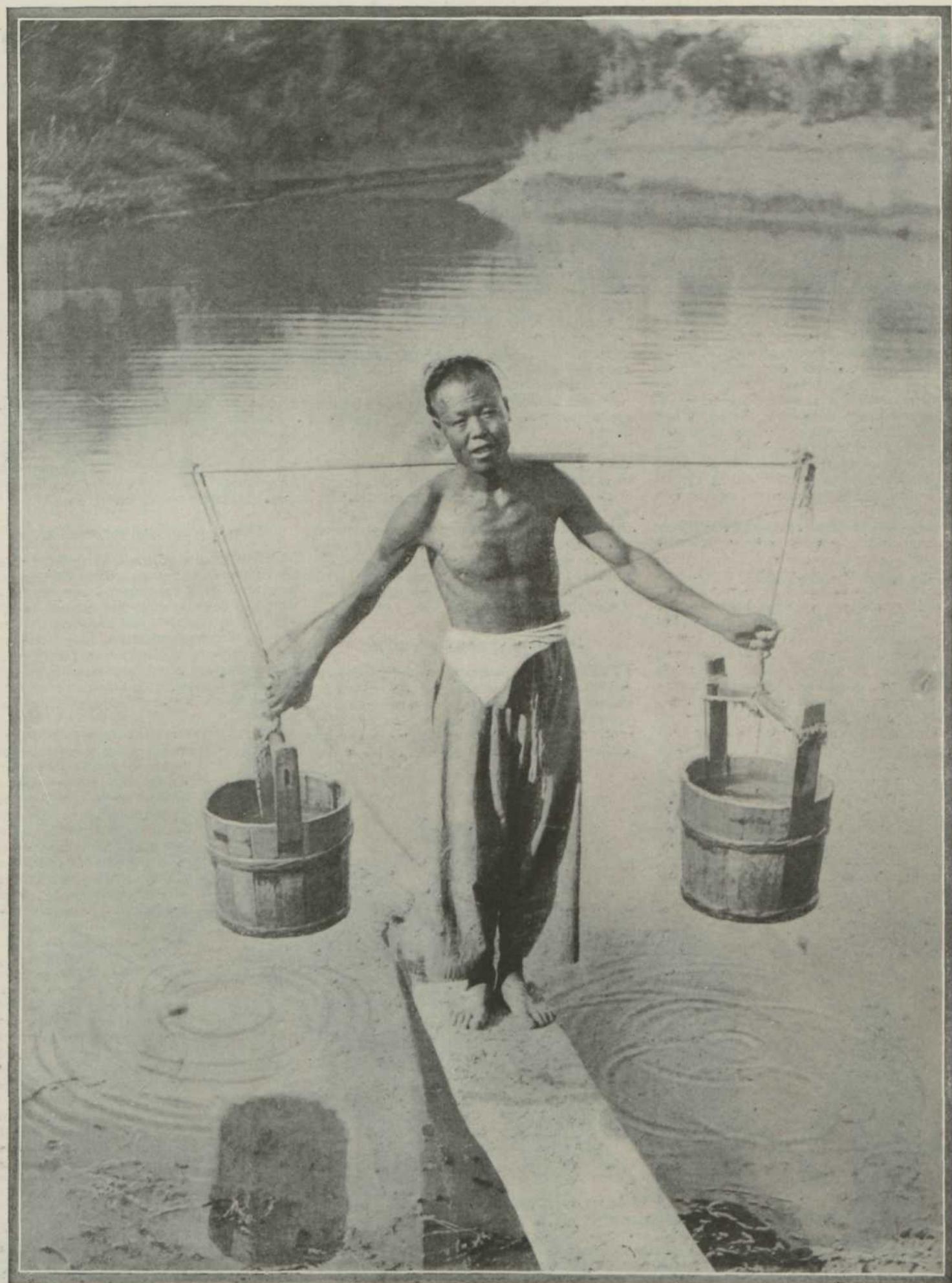
Briefly, all indications point to a reasonably quick return to the normal condition of foreign trade. The situation therefore increases the importance of renewing interest in the subject on the part of those whose pre-occupation in more absorbing pursuits has heretofore turned their attention away from it, and of expanding this interest among those to whom the subject is comparatively new.

Labor In Foreign Trade

THE fact should be steadily kept in view that no element of our national life should be more interested than labor in the development of our foreign trade. The full effects of the war upon labor, in its largest and broadest sense, are yet to be disclosed. While in Great Britain, France, Germany, Russia, Austria and Italy man-power has been sensibly diminished by war casualties, in all those countries large numbers of women have taken up industrial occupations formerly pursued only by men. It remains to be seen how large a proportion of these women will seek to continue their new occupation in time of peace. The result may easily be that the total supply of labor in the countries chiefly affected, will be greater than before the war.

In this country with our large influx of women into mechanical pursuits and the compara-

(Concluded on page 50)



As we finished editing Mr. Farrell's article on the opposite page, we received a letter from an American commercial attache in Shanghai, which says: "Don't call the Chinese people 'John Chinaman,' 'chinks,' or 'heathen Chinese.' At home they are 'Chinese,' and not laundrymen.

Remember, too, that 'chop suey' in China is just plain hash." We meditated. We thought of this photograph in our files. We decided that it and this letter from Shanghai better than anything else would help illustrate the human side of Mr. Farrell's keen and illuminating reasoning.

A Heart-to-Heart About the Farmer

"Back to the Land"—Certainly! But What Are We Doing For This "Land"?

By HOWARD HEINZ

Vice-President H. G. Heinz Co.

AMERICA has always had vastly greater natural resources than it has had capital or organization to use. Stimulated by war's necessities and assisted by governmental support, our mining and manufacturing industries have been re-equipped and reorganized up to a plane that has more closely approximated these resources and while this has also been measurably true of our agricultural industry, agriculture, during the war period, has made less advance proportionate to the increased demand upon it. And with half the world facing starvation through the devastation of its soil and the division of its man power into non-productive channels, the problem of world food production during the reconstruction period becomes one of the first magnitude.

Perhaps the principal reason for the failure of our agricultural progress to keep pace with the growth of the nation, even in normal times, has been a lack of understanding on the part of our urban population of the farmer's problem and a consequent lack of co-operation and encouragement but this condition has doubtless been improved by the economic lessons which the war has taught us. The farmer and his usefulness to the community is perhaps held in higher appreciation today than at any time before in the entire period of our marvelous industrial development but there remains much to be accomplished before we can reach anything approaching an ideal condition.

For the most part wholly unorganized in any practical way that looks to co-operative productive effort, and to improvement in marketing and distribution methods, a constant prey to the whims of changing weather conditions and compelled to battle unceasingly against the ravages of innumerable pests, it is safe to say that the financial return to the average American farmer is less than that received by the lowest paid mechanic in any established trade.

With conditions such as

described how can the farmer compete in the labor market for his necessary help, especially when it is remembered that in place of eight hours and time and a-half for overtime the farmer's daily work begins with the rising sun and is more often than otherwise finished by the light of the moon. How can he raise the necessary capital out of his meager returns for drainage, fertilizing and other means of soil improvement? How can he avail himself of costly mechanical tools in substitution for the needed man power which is equally beyond his reach?

The wholesale desertion of eastern farms in recent years, the change from proprietary to tenant farming that is constantly taking place in all sections, the emigration of the bred-in-the-bone western farmer to Canadian land to secure the easier primitive conditions there prevailing and the flocking of the young people from farms to cities to engage in commercial pursuits, all tell an eloquent story of the lack of appreciation and suitable recognition hitherto given to the tiller of the soil.

Overworked and Underpaid

EVERY laborer is worthy of his hire and as labor that is underpaid and especially that which is both overworked and underpaid will seek new channels of effort, it is to be devoutly hoped that war's lessons concerning the importance to our general welfare, and even to

our permanent safety, of a thriving and prosperous farming community, may not go unheeded.

That the farmer is in some degree to blame for his present condition may not be denied but far more blameworthy are those interests which have failed to lead, encourage and support him or which have exploited him.

Successful agriculture constitutes the very foundation of a nation's prosperity. If we are to continue to have available that food surplus for export that is needed to help maintain our balance of world trade, if we are even to continue to be a self supporting nation in the matter of food supply, there must be a more effective support given to our farming interests; financial, educational, moral, social.

More Advantages for the Farmer

THREE must be leadership where we naturally look for leadership in our other lines of activity; intelligent leadership by our men of affairs that will point the way and provide the means to better practical education in improved farm methods, better and more practical local organization of farm interests that will result in more co-operative buying and that will gain for the farmer the advantage of collective bargaining for the sale of what he produces.

The more economical purchase and more intelligent use of fertilizers; seed selection on a large scale; the proper adaptation of soil; rotation of crops as well to meet prospective market conditions as in the interest of soil improvement; the co-operative purchase and co-operative use of farm tractors and other devices calculated to increase production and lighten labor; increase and improvement in stock breeding; a degree of efficiency in scientific management that while increasing product will decrease costs and an adequate financial backing should be some of the beneficial outgrowths of proper organization in our farm communities that may be depended upon to put our farm operations on a reasonably remunerative basis and encourage the "back to the land" movement advocated by our theoretical economists and with so negligible a result.

(Concluded on page 24)



Wanted: A High Court of Commerce

By M. L. REQUA

General Director of the Oil Division of the U. S. Fuel Administration

ARE we to profit by our experiences of the last four years, or are we to slip back into our old routine? The answer is in the hands of the American people—and whether it will be correctly answered or not has much to do with the future of our nation.

It needs only a review of the activities of Government during the past year and a-half to demonstrate how utterly inadequate existing laws have been in meeting even the simplest problems. Industry might not combine our railways, but Government was forced to combine them to give reasonable and adequate service. Industry might not sit in conference and discuss trades relations, practices, and prices, lest it infringe upon the Sherman Law, yet Government promptly demanded co-operative action in order that Industry might efficiently discharge its functions.

By agreement with Government, uniform prices have been fixed; pooling of output has been accomplished; markets have been divided; methods of distribution have been agreed upon; competition has been largely eliminated and Government direction and supervision substituted; and Industry, through sane co-operation and intelligent effort, has accomplished results possible of attainment in no other way. Government and Industry have worked hand in hand and pointed the way to future activities which if realized can but be most highly beneficial to all.

I think we may safely assume as axiomatic that Government should supervise wherever Government supervision becomes necessary. The method of this supervision may be (and I believe often has been) fundamentally and economically unsound.

The glory and the greatness of this nation has rested upon the initiative of the individual. That spirit must be fostered, protected, encouraged. Government may properly supervise, restrain, indicate limitations, but, emphatically, it should leave Industry to execute the plans agreed to.

Something to be Eliminated

THE incentive of individual activity along proper lines in the winning of success should remain untrammeled. When individual initiative shall be suppressed we shall have passed the zenith of our glory as a nation.

During my sojourn in Washington I have been struck by the spirit of mutual distrust that has apparently characterized some governmental departments, on the one hand, and the world of industry on the other. A condition of this kind is to be deprecated. What its justification may be, I am not attempting to determine. But, if Government and Industry are to fulfill their respective duties satisfactorily, it is obvious that there should be complete mutual confidence.

Industry must not attempt to "put something over"—and Government must treat with Industry upon the high plane that has characterized the public utterances of the President during the war. The individual who

Among the number of vital articles which we have incorporated into this issue of The Nation's Business this one by Mr. Requa explains in the happiest manner the chief lesson of the war for American industry.

"The industrial activities of the future," he says, "must be founded upon co-operation and unrestricted competition must follow its blood-brother 'frightfulness' into the limbo of oblivion."

Granted the necessity for government supervision, he argues, how is that supervision to be most wisely effected? By new laws? Yes. But by laws suffused with a new spirit. What is this new spirit? The answer is—but we cannot improve upon Mr. Requa's language.—THE EDITOR.

cannot conform to these high ideals should have no place in industry, and equally no place in Government. Under such a policy Industry must recognize its obligation to play the game squarely and fairly, and Government must recognize its obligation as the protector, guide, mentor and friend of honest industry.

A Doctrine of Cooperation

IDO not minimize the task. I know its appalling proportions; but I also know that it can be successfully accomplished, in great part, if we will but make the effort. It can not be done alone, either by Government or Industry. It demands the united, co-ordinated, co-operative effort of both, working in closest harmony. It is not the work of a day, or a year. A decade will serve in which to begin the task; a century will not see it completed.

In place of the doctrine of unrestricted competition, we must substitute the doctrine of co-operation. The fundamental principle of our anti-trust laws is unrestricted competition, and despite the "rule of reason" laid down by the Supreme Court, that principle remains substantially unimpaired. As the Supreme Court has said in *Thomsen vs. Cayer*, 243 U. S., 66, 86:

"We have already seen that a combination is not excused because it was induced by good motives or produced good results."

And again, in *Standard Sanitary Manufacturing Company vs. United States*, 226 U. S., 20, 49:

"The law is its own measure of right and wrong, of what it permits or forbids, and the judgment of the courts cannot be set up against it in a supposed accommodation of its policy with the good intention of parties, and, it may be, of some good results."

The application of such a principle to our industrial activities during the war period would have proven fatal to our success. This fact was immediately recognized by the Government upon our entry into the war. The acts formerly most anathematized, most unparable, are exactly those that have been committed. Our industrial armies, that they might, in co-operation with our fighting armies, save the life of the nation, have committed acts that might quite likely have resulted in fine and imprisonment had they not been committed under governmental direction and supervision.

It has been recognized that certain governmental supervision is desirable, in fact necessary; but in an attempt to maintain unrestricted competition we have inflicted upon the nation a system so utterly inefficient and inadequate that it broke down completely in

the hour of emergency and stress and necessitated the substitution of various make-shifts, all founded more or less upon co-operation as the fundamental principle.

It is of vital importance to our national welfare that we shall profit in time of peace by the lesson which we have learned in time of war. We must, unless we are blind to

all evidence, so alter our laws as to permit co-operative effort. The events of the past eighteen months have conclusively proved the case. If our attempts have been hastily thought out and blunderingly executed it in no way alters the soundness of the conclusion that industrial activities of the future must be founded upon co-operation and that unrestricted competition must follow its blood-brother "frightfulness" into the limbo of oblivion. As citizens of a democracy it is our duty and obligation to see that the lesson finds wise interpretation in our laws.

Why Not a Federal Board of Trade

CO-OPERATION has been the dominant note that has made victory possible. Co-operating under General Foch, the united armies won; the co-operative effort of the allied navies kept the seas free for commerce; and behind the lines at home the splendid co-operation of industry, of labor, and of capital supplied the armies and the navies with all that made that victory possible.

It has taken a world-war to bring the lesson home to us. The case has been proved; the demonstration made; it remains for us to make use of knowledge so dearly bought.

And we must not forget that this co-operation succeeded because it was founded on mutual confidence, was free of special privileges, secret understandings, and unfair tactics. If we are to realize in full, for Industry, the same benefits, the same fundamental principles must be observed. Nor can Industry expect permission for such co-operative effort save under some wise and just form of government supervision.

We should create the United States Board of Trade, under whose jurisdiction should come the industrial and commercial activities of the nation. This body should largely parallel the Supreme Court of the United States in manner of appointment; it should be surrounded by all the dignity that characterizes the Supreme Court; a seat upon this board should be as eagerly sought and should confer the same high honor, as related to Industry, as a seat upon the Supreme Bench confers upon Law.

What It Could Do

IT should be looked upon as the crowning glory in a successful career, to be prized above every other business emolument; it should be given only to those of distinguished character who have made for themselves names of highest integrity; unblemished in every relation of life; unexcelled for wisdom

This is the type of man who should be selected to compose such a body.

Into the hands of a body of such men should be committed the supervision of American Industry. This body would plan all policy of foreign trades relations; it would limit, guide, and counsel, both as to foreign and domestic commerce; it would, in short, prescribe the ethics, limit the activities, determine the practices; and represent Government—to the end that Industry should most efficiently, beneficially, and wisely perform its functions as the servant of the people.

Government Supervision, Not Ownership

I AM not a believer in government ownership; it can not hope to administer with the same success as the corporation or individual; but I am most profoundly a believer in government supervision—provided the method of supervision be properly planned and that the officials exercising that supervisory authority are adequately equipped for the task by past training and experience.

The President appoints to the Supreme Bench only men of highest standing in the legal profession; there should be appointed to the United States Board of Trade—the High Court of Commerce—in like manner, only men of equally supreme attainments—men whose active career is behind them; who ac-

cept the position in full expectation of never again entering active business life or becoming a candidate for any office. A body of such men could wisely and justly supervise industry and promote that co-operation, harmony, and mutual confidence so necessary in the future development of our industrial life.

No one need fear the spirit of the American people if once aroused; the last eighteen months have proved that. The spirit of our people as shown by the men and women at the front and by those at home finds no adequate portrayal in words. We have proved again that a free people, as a voluntary effort, will cheerfully submit to any restrictions and willingly suffer hardship in defense of a cause they believe to be just. We have shown how a mere request of the Government has been more rigidly observed than the mandatory edicts of autocracy.

A Heart-to-Heart With the Farmer

(Concluded from page 22)

Much is being done for the uplift of the farming industry by our Government departments and educational institutions. Our federal and state departments of Agricultural with their local agents in practically every country have developed a marvelous efficiency

in recent years and the results of their labors are manifest on every hand. Our Agricultural Colleges have gone far in the dissemination of practical farm knowledge but the influence of these institutions is not far enough reaching; the process is too slow to meet the urgent need of the day; the work they do must be augmented and extended by the public spirited men of every community before it will become really effective in influencing general results in any larger way.

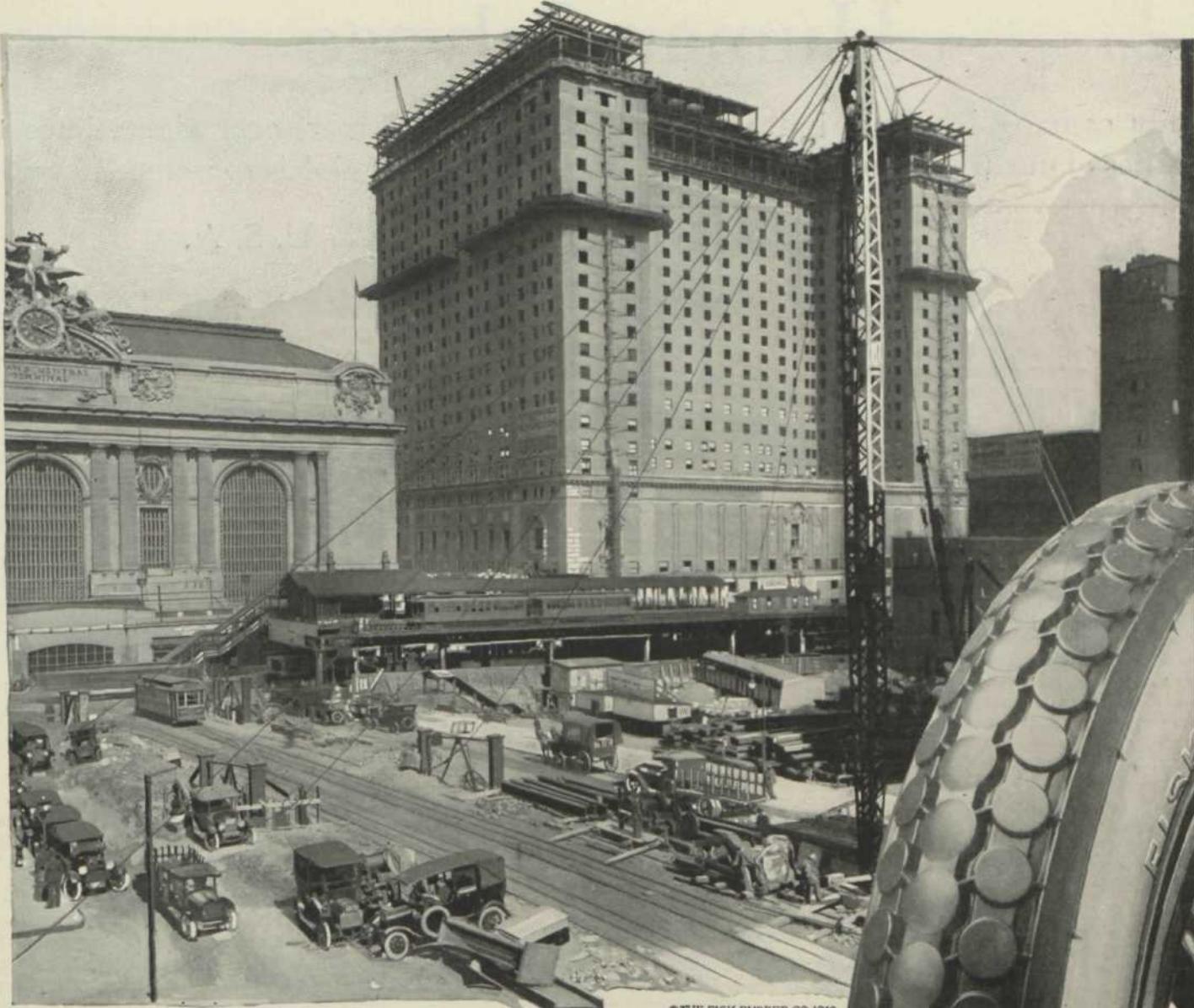
With no possible prospect of restoring normal crop conditions in Europe under two or three years, or of reconstituting its animal industry in a decade, there is an assured market for all that we can produce in cereals, roots, dairy products and live stock, including hogs and oil bearing vegetables; for of all food shortages, the most distressing world need, is today, and will be for some time to come, of animal and vegetable fats, the lack of which has been most acutely felt with marked effect upon the health of the people in all European countries, including the neutrals throughout practically the entire war period.

Our manifest duty then, as business men, is not only to encourage food conservation by rational living, and the avoidance of waste, but to encourage and help the food producing class by lending to it our leadership, our financial support, and our business ability for organization.



Will the minds that dreamed these furnaces into glowing being, take fire at the thought of a far-seeing organization of industry on the part of those richest in its experience? Mr. Requa believes they will. He believes his

Supreme Court of Commerce appeals to that passion for justice and wisdom that is our American birthright and lacking which no industrial supremacy can longer endure. He believes that the mind that can create can control.



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GRAND CENTRAL TERMINAL, New York, with new 27-story Commodore Hotel on right. An average of 502 trains, 86,668 passengers and 50,000 non-passengers enter and leave this great railroad terminal in a single day.

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Human Salvage

A daily casualty list from industry would show in one year, over eight times the casualties of our troops on Europe's battlefields. Industry's job is to reduce this waste

By LT.-COL. HARRY E. MOCK, M. C., U. S. A.

HUMAN salvage bids fair to become one of the greatest by-products of this war. Our Government, profiting by the example of other countries, prepared comprehensive plans for the practical reclamation of our disabled soldiers and today many are receiving the benefits thereof. This work is founded upon a spirit of gratitude and love but is given to the disabled man in payment of the debt which his country owes him and not as a charity. As a result men, with few exceptions, who come home from the war maimed or sick will not be thrown into the industrial or business discard. Rather they will have the opportunity to become once more useful economic units of society.

In warfare a certain percentage of the soldiers is bound to become disabled, but the disabilities serious enough to put a man on the shelf are very rare. Practically every man, no matter how handicapped he may be, can come back. In fact, a handicap puts more fight into a man, makes him strive harder than ever before, and results quite often in his making good to a greater extent than if he had never been disabled.

As Mike Dowling, who lost both hands and legs when a young man, yet climbed up to be a bank president in spite of his physical handicap, delights in saying: "I feel sorry for a cripple and thank God that I am not a cripple. A man may be worth a hundred thousand dollars a year from his neck up, and worth only one dollar and a half per week from his neck down."

As a nation we have failed to teach such ideas as these to our boys and girls. We have failed to help our citizens who have become permanently handicapped back to the road where they can go on by their own initiative. Too often the disabled man has passively accepted his fate, and his friends have allowed him to loaf or to accept a position where no incentive or future existed, such as the proverbial watchman. These cripples and invalids, seeing the money made by professional beggars, have even drifted into that class or to seeking charity by selling shoestrings on the street.

No disabled soldier following the present war shall sink to such ignominy if the plans of the Medical Department of the Army can be consummated. At least eighteen general hospitals in various sections of the country are now practicing physical reconstruction with a view to securing the

complete cure or the maximum improvement in every case. This treatment consists not only in the dressing of wounds and the administering of drugs, but also includes giving every disabled man a chance to overcome the mental depression which follows disability, helping him to get back his strength and "pep" as soon as possible; finally discharging him as an active, earning individual once more, or capable of being trained into such an individual. Thus these hospitals include many therapeutic adjuncts, such as physical training centers, gymnasiums, school rooms and shops. As the man progresses toward recovery he is assigned for definite hours to each of these various activities. The shops enable curative work to be given which will help to restore function in the deformed hand or leg. As far as possible this curative work is given a practical trend. The schools educate many an illiterate or near-illiterate soldier during his long weeks of convalescence.

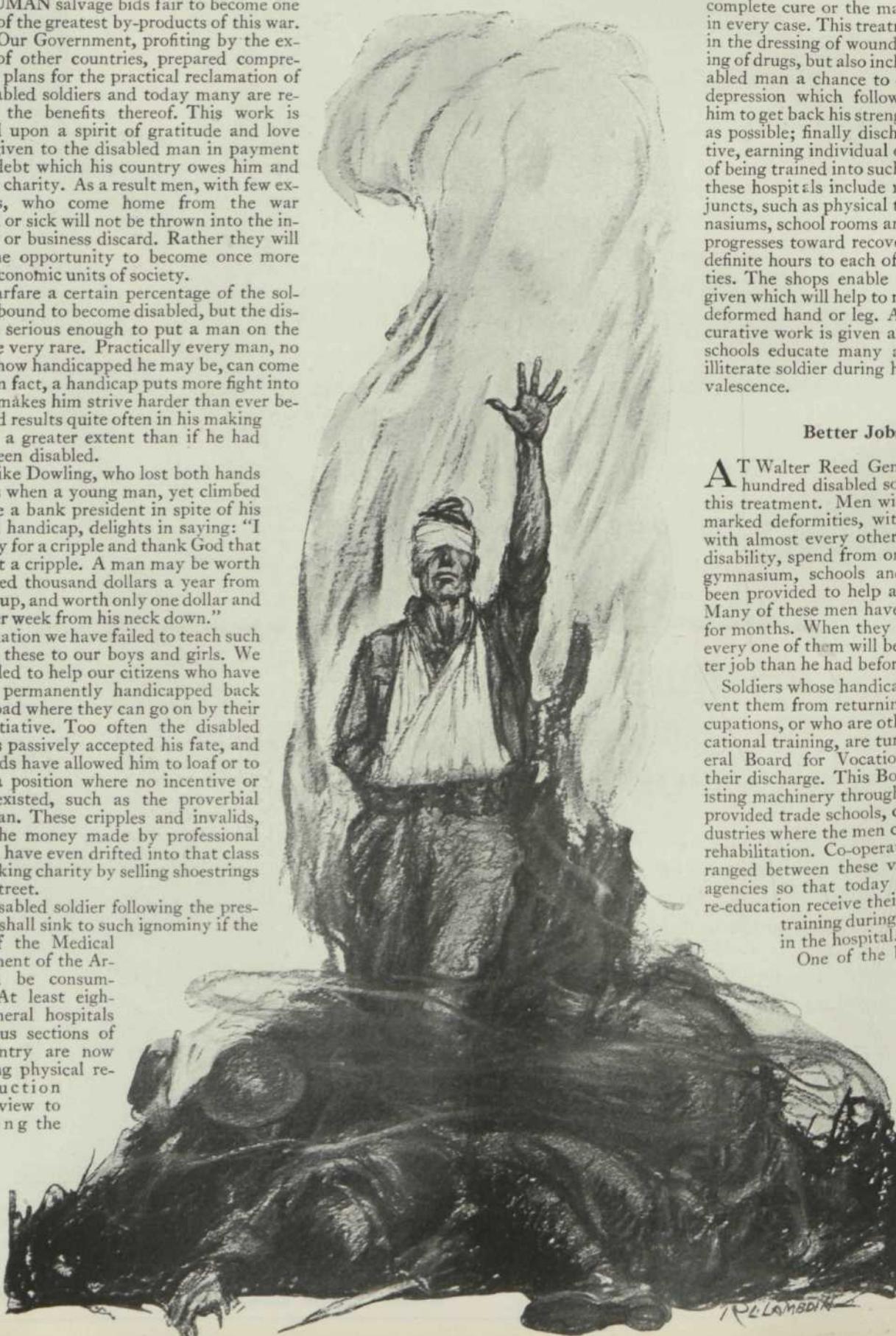
Better Jobs Ahead

AT Walter Reed General Hospital several hundred disabled soldiers are undergoing this treatment. Men with amputations, with marked deformities, with heart disease, and with almost every other conceivable form of disability, spend from one to six hours in the gymnasium, schools and shops which have been provided to help accomplish their cure. Many of these men have been in the hospital for months. When they are finally discharged every one of them will be able to obtain a better job than he had before the war.

Soldiers whose handicaps are such as to prevent them from returning to their former occupations, or who are otherwise in need of vocational training, are turned over to the Federal Board for Vocational Education upon their discharge. This Board, by using the existing machinery throughout the country, has provided trade schools, colleges and many industries where the men can receive vocational rehabilitation. Co-operation has been arranged between these various Governmental agencies so that today many men requiring re-education receive their practical vocational training during the convalescent days in the hospital.

One of the best examples of this work is afforded at the general hospital at Roland Park where all blind soldiers are sent for re-education. Fortunately the number is still less than forty but it is a comfort to know that even the small number of men suffering this disability are being re-educated and re-fitted for

(Concluded on page 61)



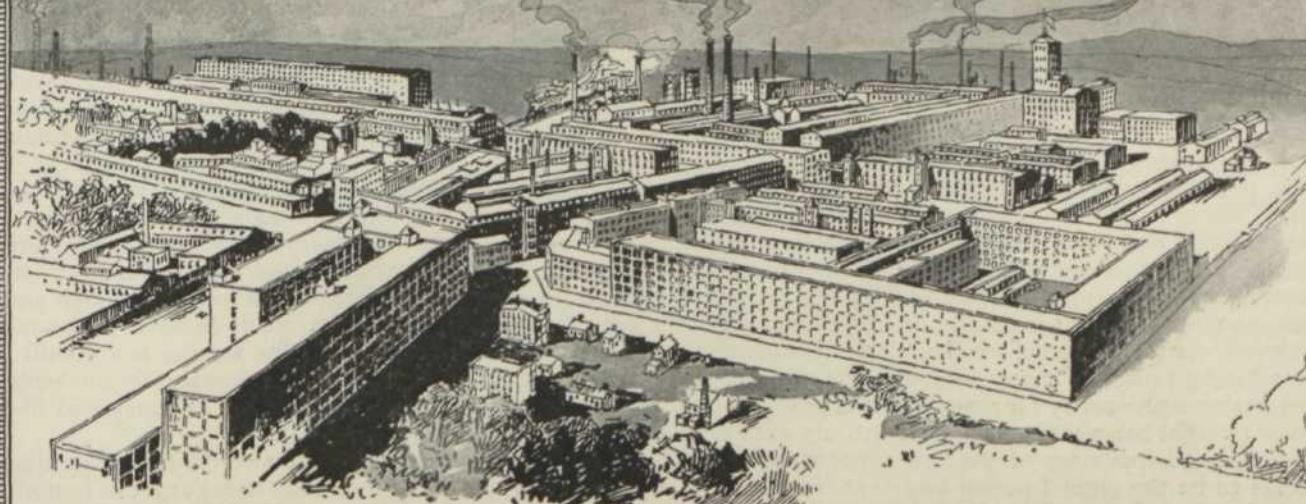
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Business Facts Belie Peace Jeremiads

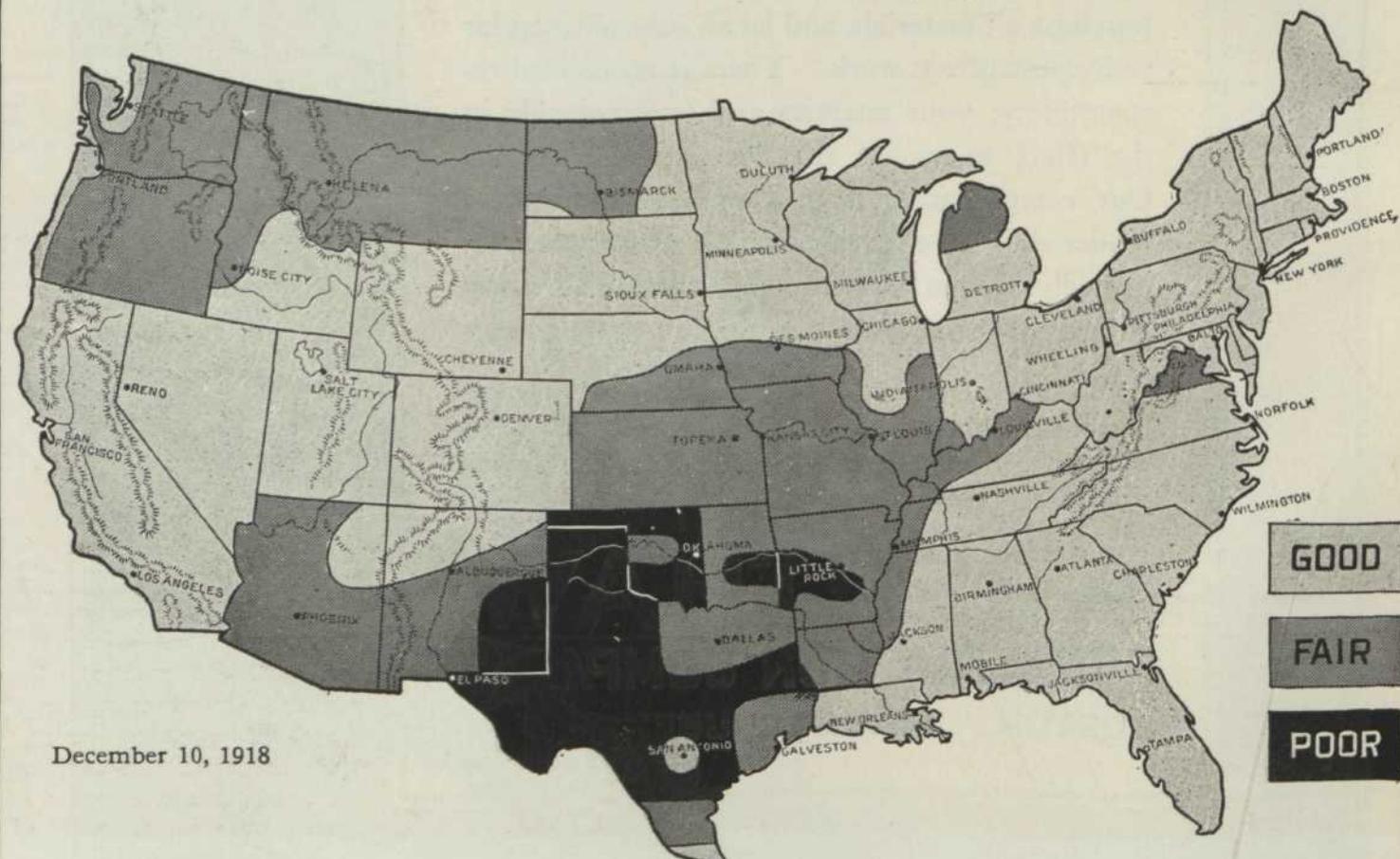
By ARCHER WALL DOUGLAS

SCARCE had the tumult and the shoutings died over the coming of peace, when there ensued one of those sudden and simultaneous changes in the mental attitude of the public, which is characteristic of our nation in emergencies and in moments of great stress.

Our victory won, our warfare accomplished, the general thought turned immediately to those portentous problems which will be our portion in the future for a long time to come.

Popular concern at once crystallized around the salient features of greatest moment—the foregone certainty that

the process of reconstruction and realignment, especially in Europe, once formulated and under way, that some more intelligent method of procedure can be followed than now seems possible. So there is scant attention paid to the optimistic prophecies of the great era of construction which awaits us as a result of the war, so far as it affects the immediate future. For instance, there is talk of much building in this country from now on, but the general belief is that it will come slowly, especially because winter is upon us—that there will be more building next Spring than there was last Spring, but that it will not attain the di-



prices of most commodities must decline because not only are they unreasonably and abnormally high, but likewise the almost complete cessation of Government demand must leave a greater supply for the domestic market, and a plentiful supply always means weakening in prices. With declining prices, buying automatically restricts itself to immediate wants only. With the demobilization of troops and the doubtful ability of the domestic demand to keep production up to its former volume, there also ensues the serious problem of a surplus of labor and the accompanying question as to how wages can be maintained at their present level—for it is this level which underlay the general high purchasing power of many and was the sustaining factor in business prosperity for many months past.

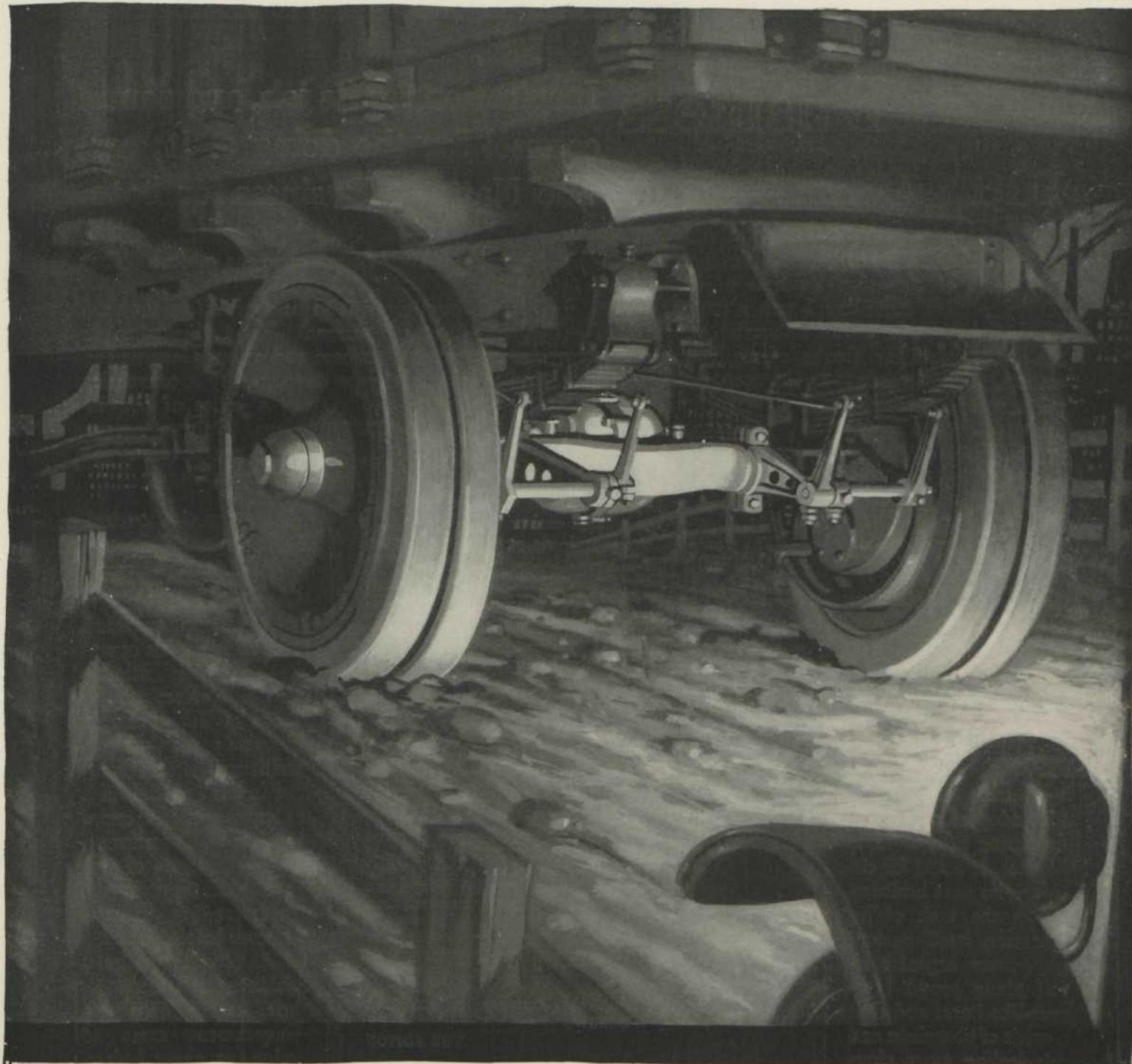
Popular thought concerns itself almost entirely with the likelihood of the happenings of the next six months since that seems to be the crucial period and that bridge once crossed and some definite policy adopted, it is believed with

mensions of a boom, nor anything like it. Yet, withal, there is a growing realization that our foreign trade will be a sustaining factor in the time not far ahead and that it should therefore deserve our utmost and immediate thought and consideration.

There have been many cancellations of Government contracts, and more will follow. Goods for domestic use are consequently easier of obtainment. Some factories doing Government work have been forced to lay off many of their employees—buying is strictly from hand to mouth and is confined largely to necessities, while luxuries and non-essentials find halting sale. Yet, the wonder is and still the wonder grows, that the situation is apparently unchanged, and is entirely devoid of either panic or hasty and ill-advised action.

The spirit of co-operation and concern for the general good still prevails, so that no one seeks to take care of himself at

(Continued on page 70)



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That Business may carry on—

Inspiration for its job, and sound counsel for the doing of it; and The Nation's Business for both.

ON December 7 the great Reconstruction Congress of American business adjourned sine die. The same day began a new period in American History. "The industrial activities of the future," said Mr. Requa, of the Fuel Administration, "must be founded upon cooperation,—and unrestricted competition must follow its blood brother 'frightfulness' into the limbo of oblivion."

A new order comes. Business will readjust itself, and soon,—but never to the scale of pre-war days. New principles, new standards for the conduct of business replace the old.

Business Faces East

Business at Atlantic City adopted a platform consisting of two main planks: It stood for the principles that business, facing the task of integrating itself nationally, must organize itself along sound business-like lines; and that a spirit of liberalism and fair-dealing must characterize its every relationship.

These standards are not those of that great congress alone, representative as it was of American business at large. They reflect the hopes and the aspirations of the other greater thousands.

You were represented at Atlantic City. Your wishes, your opinions, your ideals helped to mold the 5000 representatives of the Reconstruction Congress to the unity of purpose and of action there found. The 35 resolutions there formed are your creed. They are a beacon to guide your course in the days to come.

But they are not the end. They are only the

beginning. They do not close the subject. They open it.

Much work remains to be done before they can be welded into our national life and adjusted to the structure of our business and of our Government. And the work is to be done, not by a convention or a series of conventions. Only a permanent organization can accomplish it.

A National Clearing House of Business

Through the National Chamber, for the first time, American business has such an organization; an institution that interprets the needs of the nation to business men; that crystallizes the opinions, the hopes and the aims of business and expresses its views to Government.

The demands of war gave business men the understanding to see, as never before, the need of a broader national vision upon business,—just as in turn the Government came to value, as never before, the enterprise and practical experience of business men.

The requirements of reconstruction demand that not only for patriotic reasons but for the best of selfish reasons, every responsible business executive keep constantly abreast of the events and tendencies in business and Government that will enable him to direct his business with intelligence and foresight.

The official magazine of the Chamber of Commerce, *The Nation's Business*, is the organ through which the Chamber inspires every big nationally-minded business man to play his part in the development of its high purpose.

"The Reason of Our To Be"

This is the *raison d'être* of The Nation's Business, its editorial confession of faith:

To CREATE a national viewpoint for American business, breaking down provincialism and narrowness;

To stimulate at the same time community development; To advocate foreign trade as a natural and necessary growth, making stable our domestic trade; To emphasize the value of organization—of teamwork in business.

To SERVE American business by furnishing

A perspective of the world's commercial activities with their interpretation;

A clearing-house of the new ideas in organized business;

An intelligent report on current relations of government and business.

To TEMPER all with a serene belief in the idealism of American business;

To find in all business the romance and the enthusiasm which each man finds in his business;

To be human,—in the way that business is to business men.

In this faith we shall strive to express the sanity, the integrity, and the stability of American Business.

THE EDITOR



The Chamber of Commerce of the United States represents the spirit of American business. The Nation's Business is its voice.

The Purpose that Became a Magazine

The Nation's Business was originally published as a four-page journal of newspaper size. In the days when the Chamber of Commerce was not so broadly representative of American business, its sole purpose was to record the activities of the Chamber to its own members; but as the Chamber of Commerce grew in size and influence there was felt the need of carrying *all* progressive American business men an enlightened understanding of business as a matter of national moment.

And from a monthly bulletin The Nation's Business became a great national magazine, the distinguished 84-page publication that you hold in your hands.

Devoted to the subjects that most concern the thinking men of America, The Nation's Business enjoys a dynamic influence for the development of sound, progressive principles of business.

The big men of America, the leaders in public thought and life in business and Government, the men who are big enough to think of the nation's affairs as their affairs, these are the men who, month to month, look to The Nation's Business for the information and inspiration which it provides.

Appealing as it does to these leaders of commerce and industry it is not to be wondered at that

the dominating personalities who today direct the destinies of America should give continued expression to their views and their plans through the columns of The Nation's Business.

Here are just a few of the contributors who have given The Nation's Business in recent months so preeminent a position among American magazines:

Charles M. Schwab, Director General of the Emergency Fleet Corporation

Hon. Wm. C. Redfield, Secretary of Commerce.

James A. Farrell, President of the U. S. Steel Corporation.

Harry A. Wheeler,
President of the Chamber
of Commerce of the U. S.

Josephus Daniels,
Secretary of the Navy.

Franklin K. Lane,
Secretary of the Interior.

Newton D. Baker,
Secretary of War.

Wm. B. Wilson, Sec-
retary of Labor.

Herbert C. Hoover,
U. S. Food Administrator.

Wm. H. Taft, Ex-
President of the United
States.

Dr. F. W. Taussig,
Chairman of the U. S.
Tariff Commission.

Edwin N. Hurley, Chairman of the U. S. Shipping Board.

The Nation's Business is your magazine. It is published for you. It is you and thousands of other American business men of your type who make its publication possible. Our inspiration is your support.

Thousands of American business men, big-visioned enough to regard business in its national phase as matters of concern to them, look forward monthly to The Nation's Business,—and they happily find in The Nation's Business the same enthusiasm, the same human interest in business which they bring to their own business.

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Gentlemen—

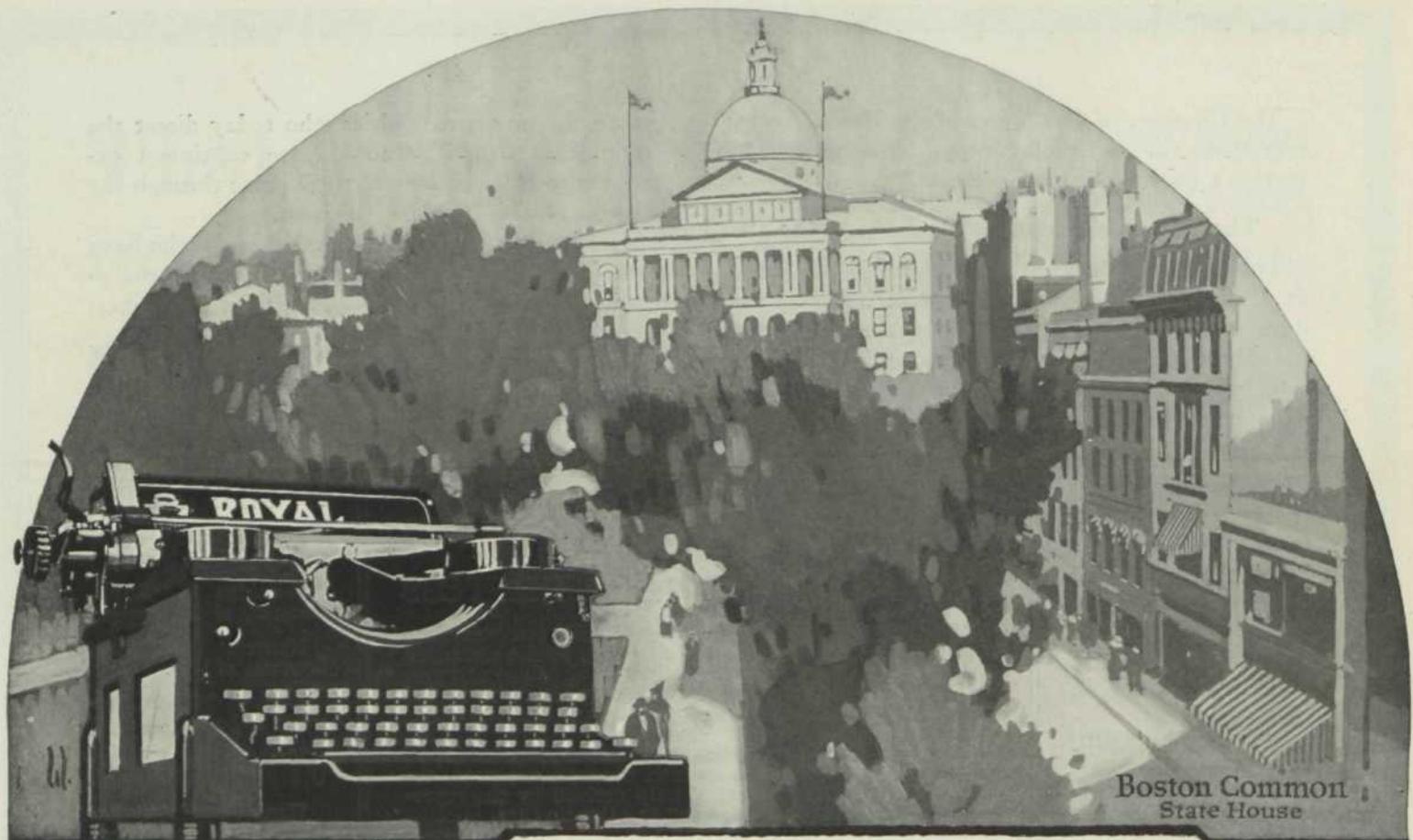
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Unraveling the Wool Industry's Problems

A cross section view, typical of many big crafts hit by the end of the war

By PAUL T. CHERINGTON

*Division of Planning and Statistics,
United States Shipping Board*



ALL of the numerous problems in the woolen and worsted industries which have been raised by the sudden end of the war may be summed up in a single one, namely: How can these industries be put as promptly as possible on a solid peace basis?

It will be observed that in stating the problem this way, the use of the term "restoration" (with its necessary assumption that pre-war conditions are to be returned to) is scrupulously avoided. As a matter of fact, the pre-war conditions never can be returned to.

The industries must be adjusted to the new conditions with due recognition of facts which are now intimately interdependent, while in normal times the connection between them might have been comparatively loose.

The problems of the sheep man of Wyoming are more intimately connected than ever before with those of the clothing retailer and with every other factor in the wool industries and trades.

Pre-War Conditions—International

THE annual pre-war production of wool for all countries combined was above 2,000 million pounds per year. Of this amount ordinarily about 1,000 million pounds consisted of worsted wool of the various ore cabred types. Another 1,000 million pounds was made up of clothing of finer types with more merino blood and classed as merino wools. The remainder, between 700 and 800 million pounds, consisted of coarse wools ordinarily designated as low or carpet wools.

The British Empire controlled the wool situation in all except the low or carpet wools. Outside of the British Empire, the allied countries consumed practically all of their own production of the finer wools and imported the remainder of their requirements. The River Plate countries and Spain among the neutrals had a large exportable surplus, the exports from the former being extremely large and important. Of the enemy countries both Austria

and Germany were large importers of fine wools.

Of the low wools, Russia in pre-war times produced the greater part. Turkey and China were also important factors.

American Pre-War Conditions

No matter what may be one's views with respect to the tariff, the most conspicuous single fact in connection with a consideration of American conditions is the fact that for over fifty years wool growing and wool manufacturing in the United States had been protected industries and that the Underwood tariff put them on a new basis.

A second point of conspicuous importance in connection with American pre-war conditions was the complexity of the raw material supply of the manufacturing industries in this country.

So far as the manufacturing organization of the American manufacturing industries is concerned, pre-war conditions were reasonably satisfactory.

Labor conditions in this country compared favorably on the whole with those of competing countries, except in the matter of wages, which were substantially higher than in the chief competing countries.

In the conditions surrounding the marketing of their products, American woolen and worsted industries had on the whole some advantage over most of their competitors. They had near at hand, behind a tariff barrier, the largest free trade area in the world, and this area supported a population with an extremely high per capita purchasing power.

This bare enumeration of some of the conditions surrounding the American industry up to 1914 make it clear that the removal of the tariff on wool and of the compensating duties on manufactures marked the beginning of the new conditions for American industries. These conditions had been barely set up when the war began in Europe.

War Conditions

THE war prosperity in the country was widespread and the woolen and worsted industries had their full share of its benefits.

With the entry of the United States into the war in the early part of 1917, the government became literally the main market for the industry. By the middle of 1918 it was estimated that practically 60 per cent., or perhaps as much as 70 per cent. of the woolen and worsted production capacity of the country was engaged in army work. Not only had the government become the chief market for wool products, but it had become the actual owner of practically all of the supply of new raw material in the country.

International Factors

THE collapse of the German military organization brought hostilities to an end unexpectedly on November 11th and left a huge surplus of raw wool to be disposed of.

Thus, with the sudden ending of the war, the industries have been confronted with an enormously complex group of problems.

Some of the international problems are: Supplies of raw wool for the Allied countries most heavily engaged in the war should be guaranteed.

The supply of clothing and of sufficient supplies of wool to enable the prostrated belligerents to clothe their people and to establish their wool industries should be provided for immediately.

Profitable markets and adequate means for reaching them should be provided in such a way as to guarantee to Russia a maximum return from her accumulated supplies, and her probable continued production of low wools.

The wool of the River Plate countries, (the chief neutral supply of fine wools) ought not under any circumstances be allowed to slip

(Continued on page 69)



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"I think it is finer and healthier for us not to think so much of the rank as of the responsibility of our position"

By PAUL WARBURG

Former Member of the Federal Reserve Board

AS I look through the telescope into the period following that of transition to peace, I see a United States to which the world at large will be heavily indebted, and to which annually hundreds of millions of dollars will be due as interest on loans extended, in addition to the hundreds of millions due in payment of the raw materials we shall be able to spare for other countries. I see an industrially highly developed country which, with the exception of a limited number of articles, will be capable of producing most of the necessities of life for the consumption of its own people.

I perceive, therefore, a country amply protected by a vast annual international credit balance, a country which by keeping some portion of its foreign security holdings in the form of reasonably short obligations, should be able to protect itself against any serious encroachment upon this creditor position; a country owning a huge gold stock; a country, in short, which need not give itself any great concern with regard to maintaining the parity of the dollar exchange all over the world.

I much misread the future if it does not have in store for New York the position of a world exchange center, vying with London as a free gold and discount market. As I see it, our future economic position will be of such strength that it will be difficult for many countries to keep their exchanges at par with us. They are not likely to have sufficient quantities of the goods required by us, nor will they have large amounts of gold to spare, and therefore, in payment of the things we sell them and of the interest they will have to pay us, they will have to try to find something else than goods that we may purchase from them; that is they will offer us the individual or collective obligations of their nationals or their industrial enterprises, or such securities or assets of other countries as they control.

If we want these countries to continue to be able to buy our goods, it is therefore incumbent upon us to prepare ourselves to grant these foreign credits and to buy and assimilate these foreign assets. I can well foresee the time when American dollar acceptances will be outstanding to the extent of more than one billion dollars in credits granted all over the globe.

England, I am certain, will retain her logical and traditional position of a world center of commerce and finance. Moreover, once we return to the time when trade between nations is no longer financed by the issue of Government bonds, the old machinery of bankers' acceptances and investment banking will be so heavily taxed in both countries that England and the United States, soon to be

joined, we all hope, by France, will be only too glad to find partners with whom to divide the burden and, rather than envious competition in securing the load, there will be a tendency of wishing to place a fair share of it on "the other fellow."

No doubt some of the neutral countries, whose financial strength and independence have greatly increased during the war, will play an important role; while Germany's place as an international banker, I believe, will have to be considered as vacated for some time to come.

The vast permanent indebtedness to us, which we expect to see accumulating from year to year, must be offset not by temporary credits, but by an outright transfer to us of foreign assets. This may be brought about essentially in four ways:

1 The debtor country may sell to our Government its own Government obligations (our Government in turn financing itself by the sale of United States Government bonds substantially in the same manner as adopted in financing our Allies during the war.)

Or

2 The debtor country may sell to our investors (instead of to our Government)

a Its own Government obligations, or
b Industrial stocks or bonds originating within its own boundaries, or
c Stocks or bonds owned by it but issued in other foreign countries.

In Handling Foreign Securities

THE first method is not likely to be employed extensively beyond the beginning of the transition period. The other three methods are the ones for which we must prepare.

In order to bring about in the United States the successful absorption on a large scale of foreign securities it is necessary that our investing public be educated properly to appre-

and self-respecting American banker it would be advisable also to establish some generally accepted rules governing the information to be contained in a prospectus offering for sale foreign securities (or possibly also our local ones.)

I can imagine that by common and voluntary agreement some sort of a future Capital Issues Committee might be organized in each Federal Reserve district to give its stamp of approval to every prospectus before the quotation on the stock exchange be granted or the offer be made. Such approval would not signify the passing upon the intrinsic merit of the security involved, but it would give assurance that all essential facts, and nothing but authentic information, be contained in the prospectus and that they be stated over the signature of the borrowing government or corporation and the issuing house.

How Will They Pay?

WHEN the present Capital Issues Committee in due course, by the expiration of the Act, discontinues its operations, it is possible that such new local Capital Issues Committees might exercise a very important function in protecting the country.

Almost all European countries, allies, neutrals, the "liberated nations" and even one-time enemies for a prolonged period will require food, and materials with which to rebuild their life and industries. Many of them at present have neither gold nor goods with which to pay us. Without doubt we shall consider it our proud privilege to give whatever we can spare to those that deserve our aid, and to that end we shall reduce our consumption.

It is at this point of our consideration, however, that our ship strikes a fog bank and that we shall have to feel our way in the mist as best we can. We do not know whether during the transition period Congress is going to authorize advances by the United States to foreign countries in order to provide the means with which to pay us for their purchases of foodstuffs or other necessities. At present the symptoms point the other way.

We may take it for granted that, should our Government cease to make advances to our allies, some of them are most likely to offer for sale in our market their own Government bonds or notes, or their industrial properties. Taking it all in all it appears extremely doubtful whether our investment houses will find it possible to place foreign securities on a broad enough scale to meet the large foreign requirements for our goods. The task will be made all the more difficult, because as some of these countries just have passed through a period of unrest and great financial

Again Our Salvation Is—Popular Thrift

WE are near the crest of the wave of world-wide inflation. We may expect to see the beginning of a gradual contraction of note issues and deflation of prices and wages, and a return to more normal conditions of production and con-

sumption. As far as the banking situation is concerned deflation will have to be brought about primarily by the people's efforts to save and by a contraction of loans following shrinkage of prices of goods and reduction of volume of inventories.

ciate these foreign investments. That will only be possible as our banks and our business men going into foreign countries bring back to the "folks at home" frank and reliable information concerning them.

I believe that for the better protection of both the American public and the careful

strain, we may expect the investor to insist on some evidence that new political conditions have come to stay and that he may rely on an undisturbed economic development before he risks his money.

But this period may offer great opportunities for the acquisition of most valuable foreign properties. Some, particularly those with strong credit, might possibly prefer sooner or later to dispose of some of their national securities or assets rather than to increase their indebtedness to us by the acceptance of further loans; other countries may have to sell in order to pay their debts because their national credit has been destroyed.

From the business point of view it would obviously be to our advantage to buy assets of this sort (or, as the case may be, to make advances secured by such assets with an option to buy them) instead of taking an unsecured long term foreign government obligation.

The New "Investment Trust"

IT is evident why, in the long run, it is more desirable for the United States to acquire the electric light and power plants, telegraph and telephone lines, railroads, mines, or other industrial plants, than to advance to others the money with which to carry these properties; for whoever owns and controls these foreign properties is most likely to secure for his nationals the orders for raw material and manufactured articles that go with the upkeep and development of these properties. Regular orders of this nature have shown themselves to be a most valuable nucleus around which further business crystallizes.

For more than four years many countries have not been able to secure foreign funds in substantial amounts, and their accumulated appetite for foreign capital must now be large. There will be new demands and we shall soon be driven into a position of great importance in international finance. This responsibility will be facing us long before we may expect to see our market for foreign securities develop enough adequately to meet the situation.

I believe that so called "investment trusts"

will ultimately play an important role in solving this problem. As their name indicates, they invest their funds in foreign securities and against their assets they issue their stocks and bonds for sale in the home market. One important corporation of this description has been launched in the United States. More such companies, I think, are bound to be established. But it will take years to establish their prestige and standing all over the country and to prepare for their securities an investment field wide enough to fill our needs.

In these circumstances, it occurred to me sometime ago that by converting the War Finance Corporation into a Peace Finance Corporation and authorizing it, to acquire directly, or make advances on foreign securities, we might create an instrument that would promote our foreign trade and at the same time greatly assist foreign nations in need of our support during a period of political and economic transition. For the sake of both our domestic and our foreign problems, I believe a plan of this kind is deserving of our most careful consideration, even though I am reluctant to suggest it because of my strong belief that at this time we should remove rather than construct war emergency machinery that draws Government into business and on account of other serious and valid objections which at once occur to us.

Why not a Peace Finance Corporation

THE greatest difficulty, and one that cannot be weighed too conscientiously, is that of devising a plan which will provide a sufficient assurance that we may rely on securing men able, expert and independent enough to be entrusted with the administration of funds amounting to possibly billions of dollars, men who would have to be vested with wide powers in dealing with what, in effect, would amount to the people's money. A solution might be found by providing that the Peace Finance Corporation should be administered by a Board of Directors, of whom one each, with the approval of the President, would be designated by the Secretary of State, the Secretary

of the Treasury, the Secretary of Commerce, the Federal Reserve Board, the War Industries Board, the War Trade Board, the Shipping Board and the Food Administration, (each selecting at the same time a substitute director for their appointee).

Don't Stop Saving!

I BELIEVE we cannot emphasize too strongly that the time has not yet come when our people, large or small, may relax their efforts to curtail unnecessary consumption, both for the sake of releasing for export the greatest possible quantities of goods thereby stimulating our export industries, and for the purpose of accumulating funds available for investment. The slogan "don't stop saving food" would gain in scope and strength by abbreviating it into "don't stop saving!"

Our more than twenty-one million Liberty Bond holders must be trained to become permanent investors; thrift must become a national virtue, a priceless inheritance left to us by the war. It is most important that our coming Victory Loan be absorbed as far as possible not by bank borrowings but by genuine savings.

We are near the crest of the wave of world-wide inflation. We may expect to see the beginning of a gradual contraction of note issues and deflation of prices and wages, and a return to more normal conditions of production and consumption. As far as the banking situation is concerned deflation will have to be brought about primarily by the people's efforts to save and by a contraction of loans following the shrinkage of prices of goods and reduction of the volume of inventories.

Nothing could be more beneficial to the prestige of the United States as a world power in finance than the early and courageous lifting of the gold embargo. I believe that gold as a medium of actual circulation within the border lines of countries will more and more be relegated to the past; but that as a basis for an elastic circulation and as the ultimate means of settlement of international balance,

(Continued on page 74)

A New Metal Market for the World

By L. M. BRILE

THE war has given America an unusual opportunity to establish the United States as the metal market of the world. Speakers before the non-ferrous metals major group of the Reconstruction Congress declared there was no reason why markets should be fixed abroad when most of the copper, spelter and lead is produced in this country, and hearty approval was given to these views of Mr. Brile.—THE EDITOR.

NOTWITHSTANDING the fact that we produce most of these metals, the German and English metal exchanges have always fixed the prices for American copper and American spelter and, to a less extent, for American lead. The metal men in New York watched anxiously each day for the cable from London announcing prices and American prices followed the English and German markets.

You can see what an opportunity was offered to the Germans and the English to exploit all basic metals. Time and again the

market on copper and spelter was put down because Germany wanted to buy copper and wanted to buy spelter. When the price was lowered and the Germans had purchased all they wanted the market then was forced up.

Why was such a condition possible? It was possible because we did not have in this country a representative metal exchange on which actual transactions in metals might take place and which would reflect the values of these metals. We have never had such an exchange. We do have an exchange but it is unworthy of the name. Transactions are made over the telephone. One concern will ask another what a metal is worth and the price is quoted, but the prices telegraphed from abroad are the prices that have been used in this country.

The United States should allow no such condition to exist after the war.

Producing the basic metals of the world the United States ought to be the metal mart of the world, the primary metal market.

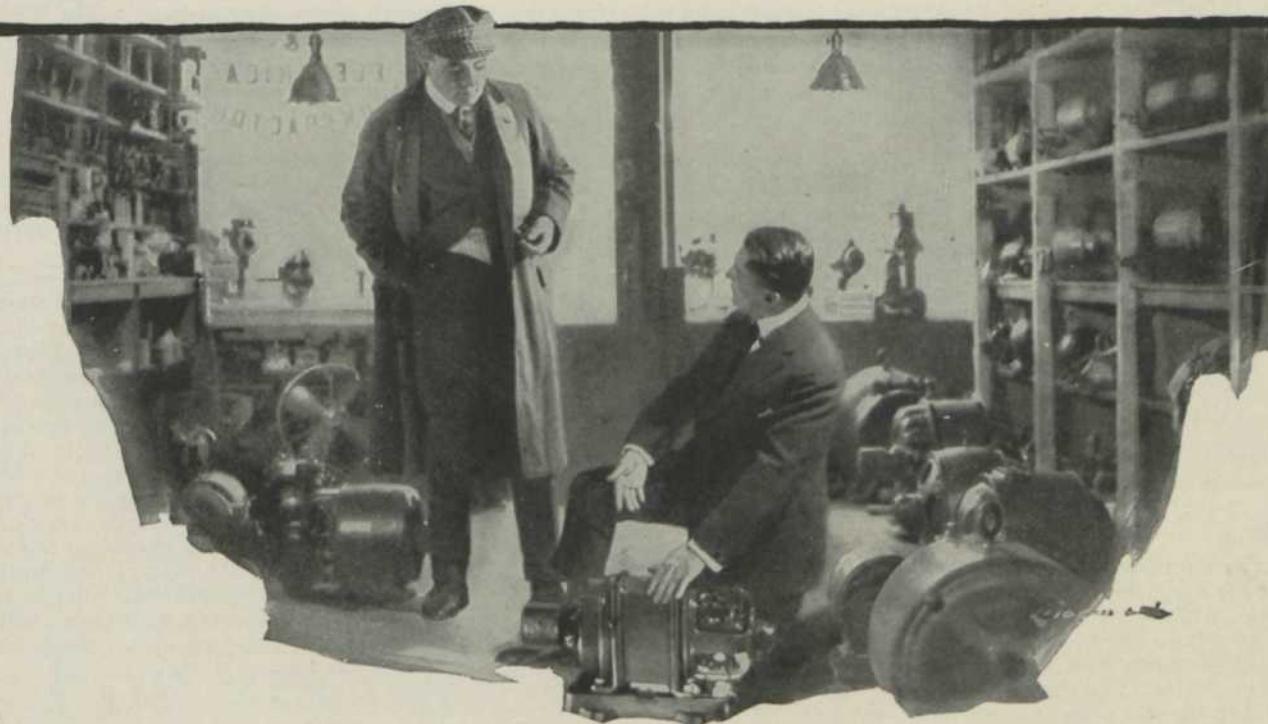
You can see what that would mean for the

export of our products. I mean for the export of the basic metals themselves. And it would include also metal products because if America were known as the metal market of the world as it should be its foreign business in metal products as well as in the basic metals would be strengthened immeasurably.

If such a market were maintained here the whole world would look to America for these metals and products rather than to Europe which while not producing the metals has been known as the primary market because the American metal industry failed to control its own markets.

The need of co-operation in the metal industries is very great. Perhaps in no other industry has there been so much cutthroat competition. These things could be eliminated by sensible co-operation and I think that the metal group as a whole are now ready to co-operate to the fullest. Some of the metal people actually have lost money in their businesses because there has been no harmony in the trade.

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Little Stories of the Nation's Business

Our varied industries find their places in the new reconstruction mosaic

ODD TWISTS are given to the English language in many letters that reach Government departments from foreigners desiring to get in touch with American business concerns. Often officers are unable to get at the meaning of some of the unusual phrasings used.

Recently there came to the Department of Commerce a letter asking that the writer be given the names and addresses of American manufacturers of male water sheep. Maybe that wasn't a poser! For a week no one in the Department, rack his brains as he might, could imagine what this man wanted. Many employees were called in and it remained for a woman to shed light on the situation. The woman read the letter and then said:

"Why, I think he means hydraulic rams."

And that was what the foreigner was inquiring about.

MATERIALS were getting pretty scarce about the time the war ended and many manufacturers, some of them exclusively engaged in war work, were hard put to it to find supplies. Two manufacturers who use brass in turning out their product came down to Washington just before the war ended to ascertain what their prospects were for obtaining a larger supply. They went to the office of Everett Moses in the War Industries Board, told him what their situation was and asked for help.

"The situation is hopeless," said Mr. Moses, "there is not enough brass to go around. The only thing I can suggest is that you go out and pray for something to happen."

The manufacturers left, went back to their hotel. At 4 o'clock the next morning one was awakened by the blowing of whistles and the ringing of bells. The armistice had been signed. He arose and, putting on his clothes, went out to the street and purchased an extra.

"Well, it is all over," said he, bursting into the room where his companion was. "We don't have to worry any more."

"Great," said the other. "We will start for home but let's not forget to phone this man Moses that there is considerable efficiency in prayer."

MODERN FURNITURE made by machine methods is far better, furniture manufacturers contend, than the furniture of older days produced by hand. The art of the cabinet maker is not lost but has been improved, manufacturers declare, by modern methods. The workers' labors are lessened by devices which not only save days of tedious handwork but which increase the structural strength and lasting qualities of the article made, the makers say.

Leaders in the furniture industry believe there will be an unusually large demand for furniture now, owing to the reduced output of plants during the war.

THE war is over. Industry is turning its hand to the business of adjusting itself to new conditions. It will never go back to some of its old methods. The cleansing fires of war have brought a new industrial day. The Nation's Business, during the period of conflict, kept its readers informed from month to month of the changes that were taking place. In the new era it will continue to interpret events as they are recorded. There constantly come to the editor's desk, in the performance of this task, little stories of small moment in themselves which in the whole portray the indomitable spirit of American business and of the American people.

SHOP refuse will be used as fuel this winter by New Orleans sash and blind factories as a fuel conservation measure. Plants in this southern city have decided to use no coal this winter and are remodeling their boilers to use scraps.

ONIONS and potatoes form a considerable part of the diet of the American soldiers. In one month the War Department bought 2,000 carloads of these two vegetables, valued at more than \$1,000,000 to supply 119 training stations and posts in the United States. This purchase was but an incident in the purchases the Quartermaster's Department is making but it shows the magnitude of the supply system that feeds our troops. The Quartermaster's Department claims to have saved \$94,000 or nearly ten per cent of the total purchase price of this one order of onions and potatoes through use of a central purchasing system.

RUSSIA soon will be receiving American goods again. The War Trade Board is receiving applications for exportation of all commodities through Vladivostok. A limited amount of cargo space may be available from Pacific Coast cities direct to Russia's eastern port. In allocating space preference will be given to material covered by licenses issued on and after October 7 under conditions which the War Trade Board is prepared to define and to discuss with exporters giving one consideration to the particular transaction in question.

CHURCHES were called into use for group meetings when American Industry held its Reconstruction Conference at Atlantic City. The textile group met in a Presbyterian Church and one of the speakers, a Scotchman as well as a Presbyterian, told this story at the beginning of his speech:

In a small town in Scotland the Inn was inadequate for travellers and beds were fixed up in the pews of the church next door. On one occasion four English travellers arrived and were put up in the church.

Now the bell of the church served two purposes. It called the people together for worship and at night called them to respond when there was a fire. About the middle of the night the church bell rang violently and the people ran out with one accord in the direction of the church to find out about the fire. When they reached the door they met the Inn-keeper coming out.

"Where is the fire," they asked.

"There is no fire," said he. "They are ringing for four measures of rum."

EXCHANGE RATES have been badly upset by the war. Even Canadian-American rates have been affected and just now Canadian Government officials are very much concerned to see that they are corrected as soon as possible.

J. W. Bain, a member of the Canadian War Mission, which has been in Washington for the last nine months, points out that during the war the United States has shipped such large quantities of manufactured goods to Canada that Canada has been unable to reciprocate either with manufactured goods or raw materials. The consequence is that the large trade balance in favor of the United States forces the Canadian buyer to pay a 2% premium on American funds to settle his accounts.

The only way to change the situation, according to Mr. Bain, is for American capital to invest in large quantities in Canadian securities. Canada, he declares, will prove to be one of the best future fields for American business.

WIVES sometimes are pretty badly neglected at business conventions and a man who went from Chicago with his wife to the recent Reconstruction Congress of American Industries at Atlantic City was determined that he should show his better half all the attention that she deserved. On the first day of the convention, when war service committees were meeting this man found that he and another manufacturer from Pittsburgh were the only members of his committee present. They sat in conference all day, but could not agree on the form of a resolution they wished to present to the conference.

The Pittsburgh man suggested that they meet again in the evening, but the man from Chicago demurred.

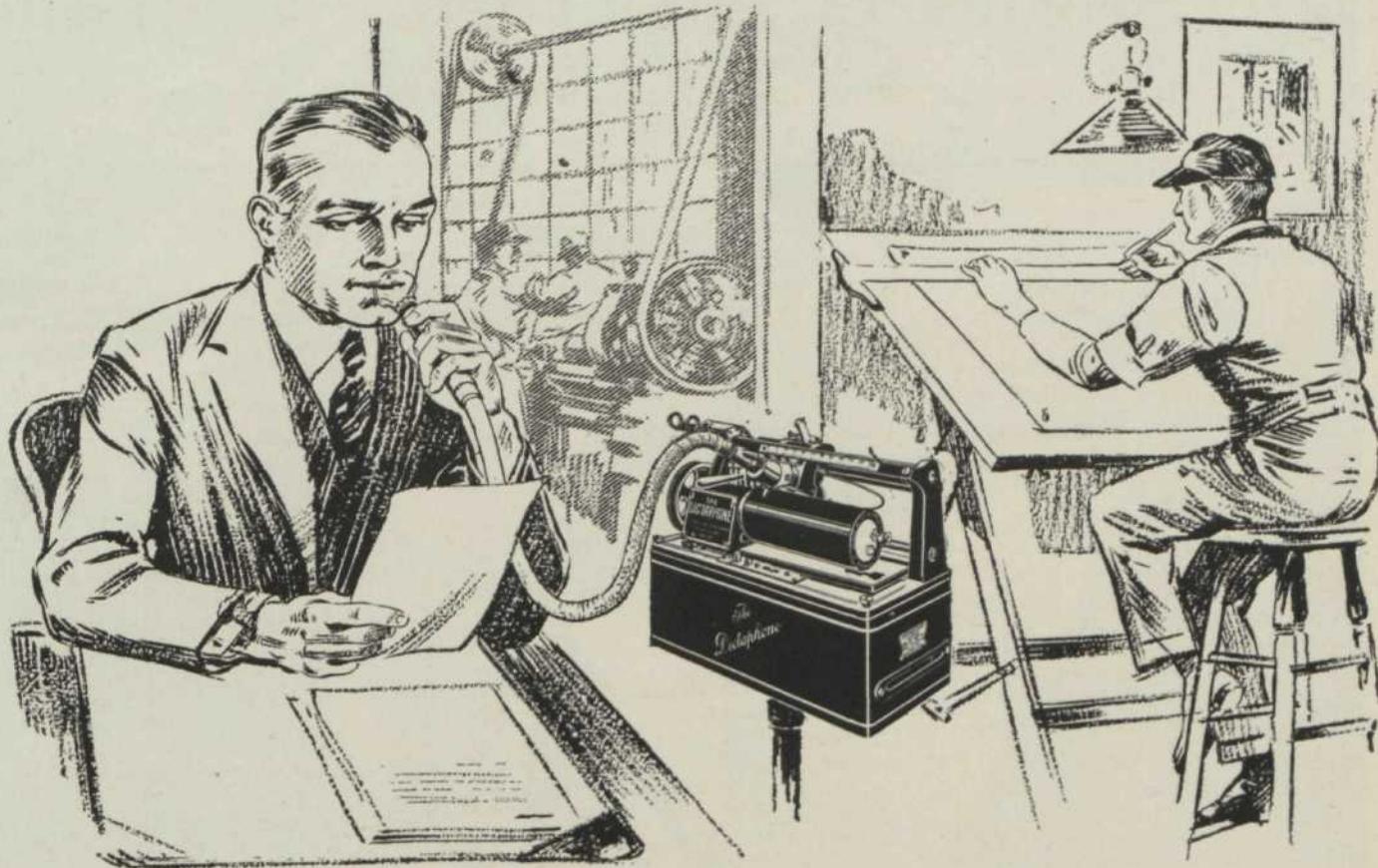
"I have promised my wife," he said, "that I shall not leave her to amuse herself in the evenings and I am afraid we shall have to call it off."

"Don't let that bother you," said the other.

"Get your wife after dinner, I'll get mine, and we'll have a little party of four to discuss it together."

And that was what they did, the form of the resolution was agreed on in a hotel parlor with the two wives joining in the discussion and approving of what was written.

LUMBER PRODUCERS are planning to start a great "Own-a-Home" campaign to create a larger market for their output. Lumber production was cut down during the war, and many lumber producers fear that it will take some time to put production back where it was. Much labor was taken from the mills by the draft and many workers left the lumber camps to earn higher wages elsewhere.



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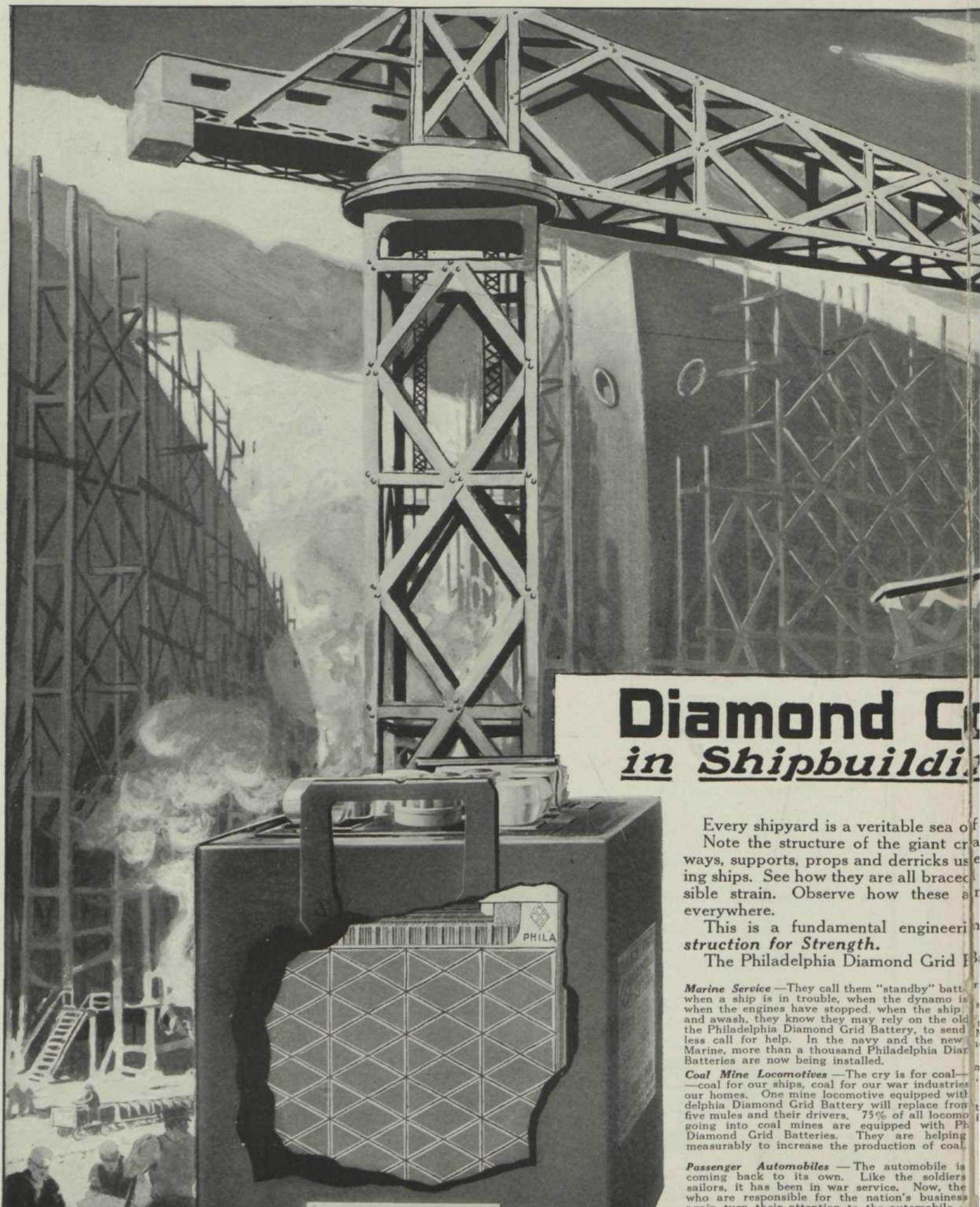
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This is a fundamental engineering principle—**construction for Strength.**

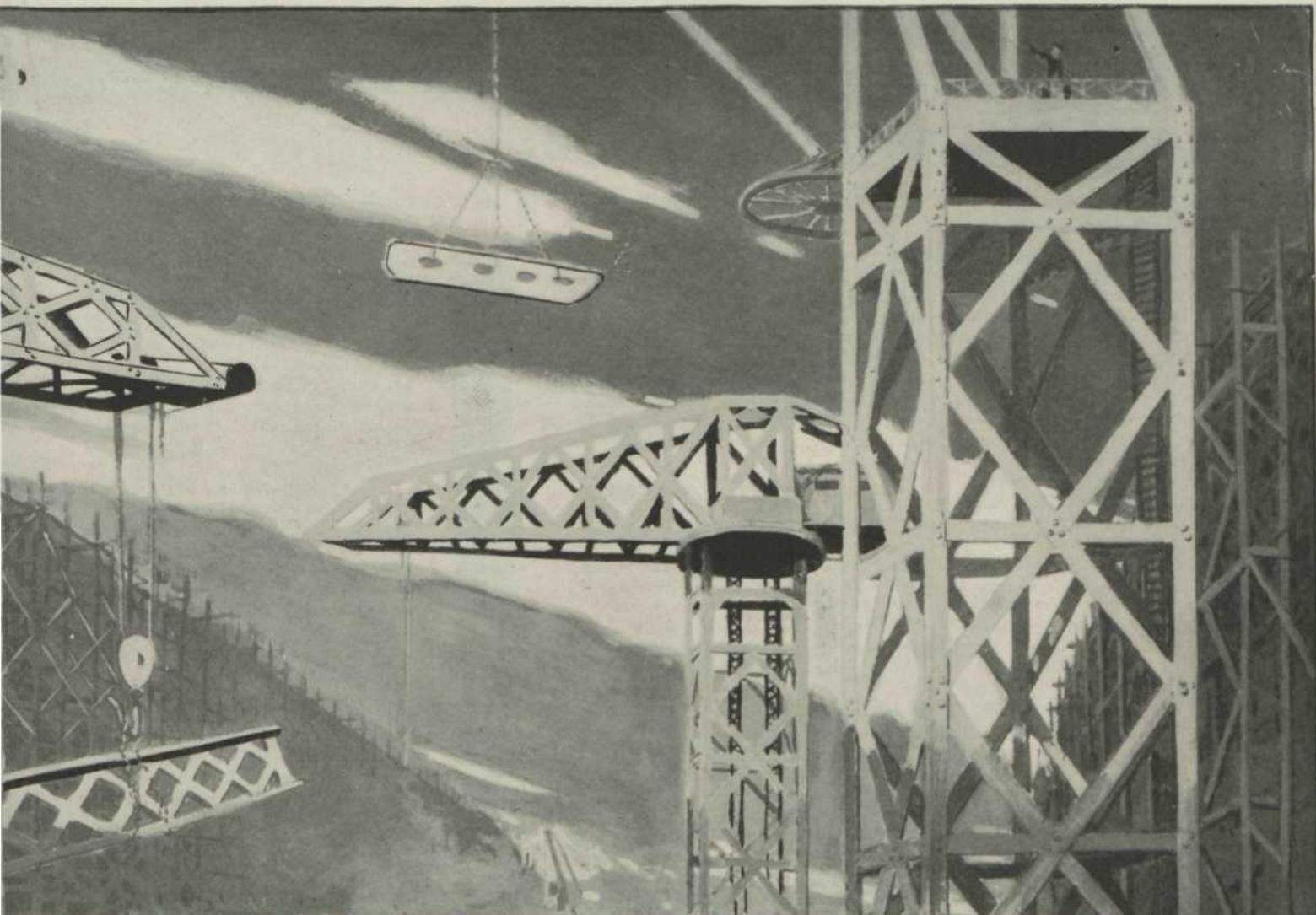
The Philadelphia Diamond Grid Battery

Marine Service—They call them "standby" batteries when a ship is in trouble, when the dynamo is stopped, when the ship is in danger, when the ship is awash, they know they may rely on the old Philadelphia Diamond Grid Battery, to send less call for help. In the navy and the new Marine, more than a thousand Philadelphia Diamond Grid Batteries are now being installed.

Coal Mine Locomotives—The cry is for coal—coal for our ships, coal for our war industries, coal for our homes. One mine locomotive equipped with Philadelphia Diamond Grid Battery will replace from five mules and their drivers. 75% of all locomotives going into coal mines are equipped with Philadelphia Diamond Grid Batteries. They are helping measurably to increase the production of coal.

Passenger Automobiles—The automobile is coming back to its own. Like the soldiers, sailors, it has been in war service. Now, the men who are responsible for the nation's business again turn their attention to the automobile, the most important part of their equipment. In reconstruction, the men of affairs must surround themselves with the most efficient associates, the most dependable means of transportation. Other than in the tumult of readjustment, they will fail to realize on their great opportunities. The foundation of the automobile power plant is the electric storage battery. The Philadelphia Diamond Grid Battery is the automobile starting, lighting and ignition battery. Under the tests of

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more coal for a Phila- three to tives now Philadelphia im-

fast and men will the ing and and wise, il to ition rage for transrigid

tery which employs Diamond Construction. The battery plates—always subject to the most severe racking strain on rapid discharge—are supported each by a Diamond Grid or framework. The diagonal members of these grids, crossing each other at angles, form Diamonds which brace and support the plates to withstand this strain. That is why the Philadelphia Diamond Grid Battery plates do not buckle, short-circuit, nor shed their active material. They are built in accordance with the fundamental engineering principles—Diamond Construction for Strength.

war service, its basic principles of construction have been established supreme. There is a special size and shape to fit every car. A thousand dealers and service stations can replace the battery in your car with a Philadelphia Diamond Grid Battery.

Commercial Trucks—The war has given a new meaning to transportation in the minds of many business men. Transportation now means trucks. Philadelphia Diamond Grid Batteries mean to those same men reliability in the electric equipment of the trucks. Commercial trucks are not pets. They must stand rack and tear, pounding and hard usage and neglect. The storage battery must be strong. The Philadelphia Diamond Grid Battery is built

for strength. It should be the equipment in all your trucks—electric or gasoline.

Industrial Haulage—Industrial trucks and tractors equipped with the Philadelphia Diamond Grid Battery are speeding production everywhere. In the mills and factories, in the shipyards, loading transports and supply ships, at the railroad terminals, they are doing the work of thousands of men. In powder mills, where a spark from a horse's hoof, a back-fire from a gasoline motor, or an electric arc from a trolley would mean irrevocable disaster, these enclosed storage battery industrial trucks and tractors are the only safe means of haulage.

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PHILADELPHIA DIAMOND GRID BATTERY

OIL: Having Met the Demands of War, it Must Now Prepare for Peace-Time Conquests in the Foreign Field

By VAN H. MANNING

Director of U. S. Bureau of Mines

HOW great a factor relatively was the American oil industry in winning the war, may never be definitely settled, but we know that it was of sufficient import to cause a famous British admiral, at a recent jollification banquet, to exclaim fervently, "We floated to victory on oil."

Looking back over this period of international crises, and trying to visualize what was accomplished, I can only say with a great sense of satisfaction and relief that I am proud of the American oil industry, and proud of the American citizen in his wonderful demonstration of patriotic co-operation. Whenever our Navy needed fuel oil or gasoline, it was there. Whenever our aircraft needed gasoline, it was there, even if our citizens did have to go without Sunday automobiles. Whenever the great fleet of our Allies needed petroleum, it was there.

Backed up and guided by such men as Mr. Requa and his able staff, not only did the industry, but also the entire citizenry of the country respond in splendid and unprecedented manner to the necessary and patriotic calls.

Perhaps a brief word in regard to our position in regard to the world petroleum situation might not be amiss at this time.

First, as to resources. We are accustomed to recall the fact that the United States has for some years produced approximately two-thirds of the world's supply of petroleum. This statement in itself is a very comforting fact, and it makes a remarkable record of past achievement, but at the present time it is the *future* that we aim to survey, and I sincerely trust that there is no oil man who is not aware that such a past production has been a heavy drain on our natural resources and has been the direct result of a most thorough combing of our national supply, by means of the concentrated efforts of both practical and technical oil men who in turn were backed by large expenditure of capital. Transportation facilities were either immediately available or existing markets warranted the providing of same.

Preeminence Not Guaranteed

WHEN similar facilities are provided to the undeveloped fields of Mexico, Venezuela, Colombia, Russia, India, Egypt, and possibly other countries of South America and Africa, our position in regard to the world's supply is certain to be changed.

This fact is not new to us, nor is it new to the powers of Europe, and furthermore, the powers of the world are also well aware of the importance of petroleum in terms of world's commerce. I am now bordering on

questions of international import, but petroleum is power in every sense that coal is power and even compounded so.

From a viewpoint wholly commercial, I must assume that those who represent the oil industry have already considered a combination of interests to engage in export trade. At least if they have not thought of this collectively, they have had such a thought in mind individually.

France Sees Her Opportunity

AT any rate I suggest the thought for what it is worth. A study of the political and commercial control of the petroleum resources of the world presents some interesting facts.

That the rest of the world is anticipating a renewed effort for trade and a greater development is seen in one recent in-

stance in the formation of the Society of Minerals and Metals, which was organized on the suggestion of the French Ministry of Commerce and Industry, and has for its principal object the establishment of close relations with the mineral and metallurgical industries of the allied countries, and the development of the same in France.

This company has been organized with a capital of 10,000,000 francs, and comprises among its shareholders twenty-six French mining and metallurgical interests in France, Spain, Mexico, Algeria, Tunis, Serbia, Chile, Bolivia, Italy and Russia. The society proposes to establish research work on a large scale.

Possibility of New Laws

WITH the present rate of yearly increase in the consumption of petroleum products, it is a self-evident fact that the day is not far distant when the American oil industry must more actively participate in development of foreign fields.

This all points to keen commercial rivalry among the nations of the world, and that we may play our part and continue to retain our high place in the petroleum industry, it is essential that the different factors of the American industry participating be equipped with a uniform working agreement with other important American Industries.

It is not my duty to point out the ways and means or to do more than to state the need for such, but to the end that the relations between the petroleum industry and the Government may be all that is desired, that the Government may be a unified force behind the industry and the industry may best serve the Government, I invite the oil industry to perpetuate the existing friendly relations by imposing in the Bureau of Mines its continued confidence, as the mining public has so generously done, to the end that we may be the center of petroleum matters in Washington. With disbanding of the present war organizations and in transforming from war to a peace status new laws may be necessary. Therefore, it is to the benefit of the industry that the Bureau of Mines be closely in touch with the problems of the oil industry.



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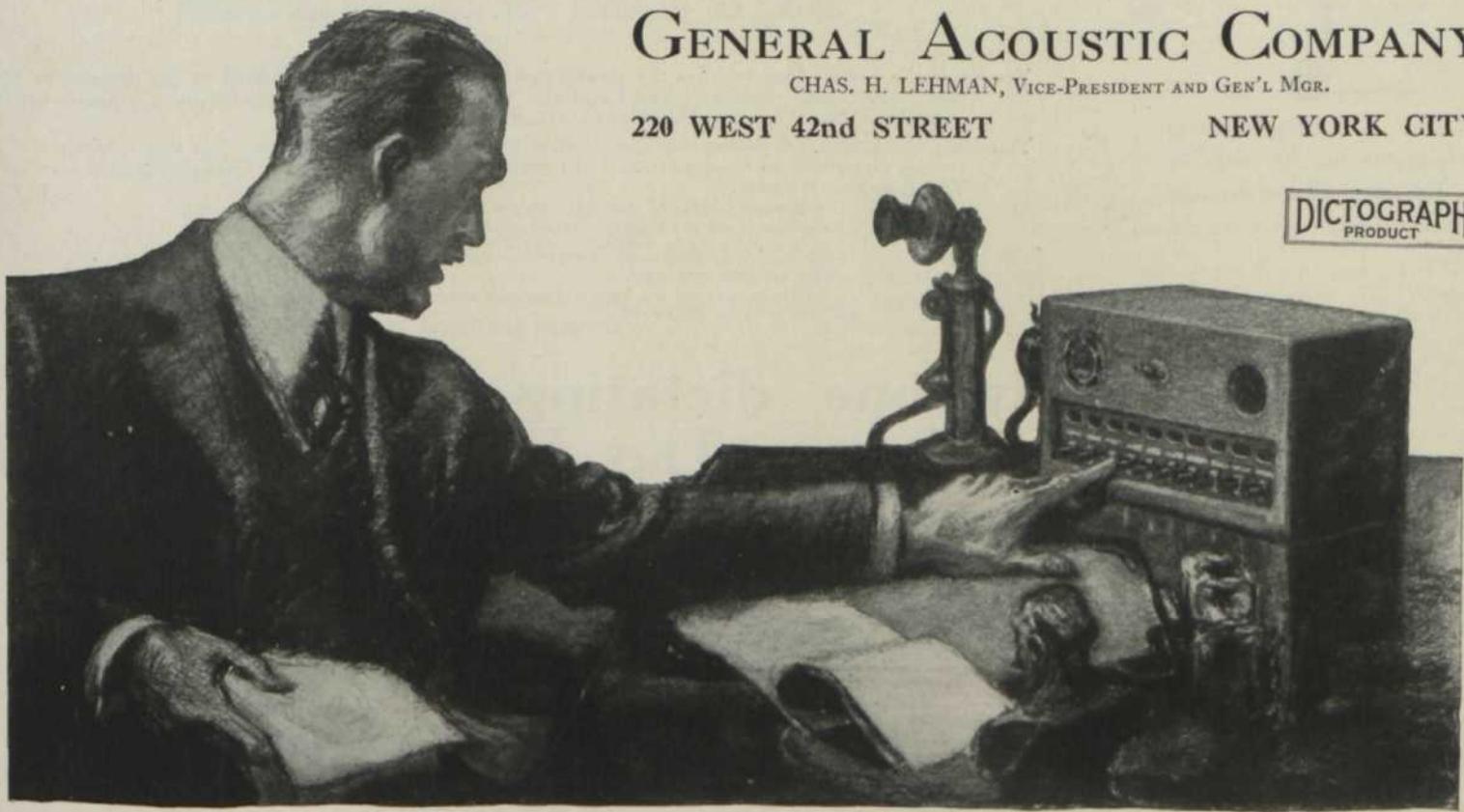
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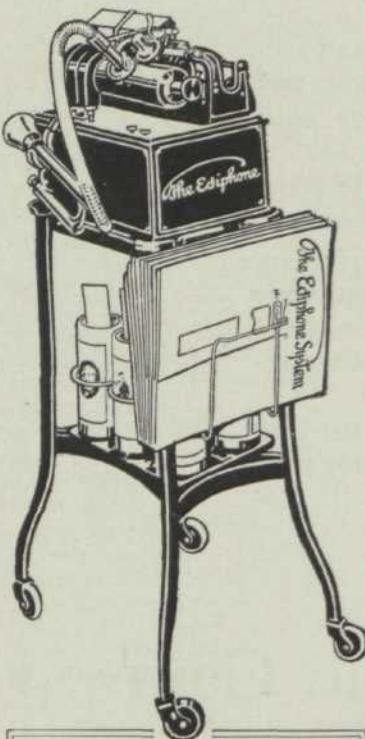
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Thomas A. Edison

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Industry's Congress Resolves

That the world of peace demands new principles, a more workable business strategy, and that people and government thoughtfully consider the proposals here set forth

IT is in the public interest that all war orders placed by any contracting agency of the Government and accepted in good faith, whether formally and regularly executed or not, should, upon cancellation by such contracting agency, be promptly and equitably adjusted and satisfied as if every formality had been observed, and when so adjusted the amount ascertained to be due by the Government should be promptly paid, to the end that these funds may be utilized by the industries of the country to speed their transition from a war to a peace basis.

If it should be ascertained that legislation is necessary or desirable to accomplish this end, Congress should forthwith enact such legislation.

Officials dealing with questions of adjustment on account of war orders must necessarily be familiar with all the conditions affecting the orders. It will greatly promote expedition and the interests of both the Government and private enterprise for the officials who made the contracts to remain in the Government service to participate in the readjustment.

Surplus Government Supplies

UNDER date of November 29, 1918, the Secretary of War issued a public statement, in which he said: "To prevent too violent dislocation of industry from the standpoint of both employee and employer, accumulations by the War Department of either raw material or finished products will be distributed when and where liquidation of such supplies will least interfere with the return of industry to normal conditions." Such action would seem to insure the stability of the industries affected, which fully appreciate this liberal position.

Therefore, the War Service Committees of American Industries hereby tender to the War Department their services on behalf of their respective industries for the purpose of advising with and assisting the War Department in the disposition of such materials.

Removal of Restrictions on Industry

IT is in the public interest that all war regulations of industry should be revoked, and all war restrictions on industry should be removed, as speedily as practicable, save in the case of such industries as are engaged in the production, preparation or distribution of foods, feeds, and fuel and such last-named group of industries should be freed from war regulations and restrictions as early as consistent with the welfare of this nation and of the Allies.

"Pivotal Industries"

CONDITIONS brought upon us by the European war at its beginning, as well as our national necessities after we entered the

war, made it of the highest importance that a number of industries should at once be developed in the United States.

Large investments, both of capital and skill, have since been placed in these enterprises. Upon the production of some of them, relatively small in themselves, the continuation of

trade agreements should be entered into, but the failure of the Government either clearly to define the dividing line between those agreements which are, and those which are not, in unreasonable restraint of commerce, or to provide an agency to speak for it on application of those proposing to enter into such agreement, in effect restricts wholesome co-operation and deprives both industry and the general public of its benefits. The conditions incident to the period of readjustment renders it imperative that all obstacles to reasonable co-operation be immediately removed through appropriate legislation.

Federal Trade Commission

THE Federal Trade Commission was advocated by the President and was created, as an agency to make the administration of our trust legislation explicit and intelligible, and to provide "the advice, the definite guidance and information" which business enterprises require.

The normal importance of the Commission's task is now tremendously increased by the imperative need for wholehearted and sympathetic co-operation between the Government and industry, especially during the readjustment period, and suggests the desirability of the two existing vacancies in the Commission's membership being promptly filled with able men of broad business experience and clear vision, prepared to assist

in discharging these tasks along constructive lines.

Relocation of Labor

THE conversion of the industry of the country from a peace basis to a war basis involved a general and important dislocation of labor. This movement was gradual. The end of the war involves a much more rapid change in industry; while there will be a great demand for labor to meet the foreign and domestic requirements there may be for a time in special places a temporary condition of unemployment.

In the new relations of industry to labor we conceive it to be incumbent upon the community affected promptly to meet such conditions.

The local chambers of commerce should be able to contribute in an important way in this work.

Taxation Readjustment Needed

THE cessation of hostilities brings to business interests a feeling of deep concern in the matter of taxation. The problems of readjustment are made more difficult through inequalities in the present law.

We believe, therefore, that in the consideration of amendments to the present act, or the

Industry's War-to-Peace Program

THE concrete results of the industrial congress at Atlantic City early in December are set forth on these pages.

A momentous significance attaches itself to this program. It expresses the spirit of a new statesmanship. Compactly it reflects the wisdom of the American manufacturing world. Not views about industry, nor the thoughts of a single manufacturer—it is the solemn convictions of the master craftsmen of America.

The Government, in the extremity of war, sundered the business structure. Business alone can restore that structure. But how? These resolutions are industry's platform upon which a new age of prosperity must be built.

They were passed with practical unanimity. The ideas they contain were considered several times by the various committees and finally by the whole congress.

These principles of industrial peace are given in the language in which they were finally framed by the heroic labors of the congress' clearance committee.

some of our largest industries has depended. Some of the recently developed industries have national importance in fields much broader than the markets of their products; for they may serve, for example, to promote scientific research, which will add to national efficiency, resources, and wealth in many distinct ways.

It becomes essential, therefore, that the Government should at once proceed to ascertain the industries which have been developed during the European war and ascertain those the maintenance of which is indispensable for the safety of our industrial structure and our military establishment.

When these pivotal industries have been ascertained, means suitable in view of their nature and situations should at once be provided for their encouragement and preservation.

Revision of Anti-Trust Laws

THE war has demonstrated that through industrial co-operation great economies may be achieved, waste eliminated, and efficiency increased. The nation should not forget, but rather should capitalize, these lessons by adapting effective war practices to peace conditions through permitting reasonable co-operation between units of industry under appropriate federal supervision.

It is in the public interest that reasonable

passage of new revenue legislation, the Congress should give most careful consideration to the views expressed by organizations of commerce and industry. Ability to pay, inventory values, and proper reserves, together with careful survey of the amount of revenue required under the new conditions, are matters of vital importance to the business interests of the nation during this readjustment period.

"Paper Profits" Should Not Be Taxed

WE urge that Congress should give careful consideration to the grave menace now facing all industry due to the fact that both raw materials and finished goods are carried in full measure to meet the extraordinary requirements of the Government and of the people, and that in large part the stocks have been acquired at abnormal cost and are therefore carried into inventories at inflated values, thereby showing apparent profits which have not been realized, and which probably will never be fully realized. These are largely book-keeping or "paper" profits, and should not be used as a basis for taxation.

We therefore recommend that any tax law shall provide that during present conditions the taxpayer shall be allowed to make a deduction from his apparent profit by way of a reserve for a subsequent shrinkage in the value of merchandise.

We believe that the interests of the Government can be protected against abuse of this privilege by the fixing of a maximum percentage of deduction to be allowed, and by the use of proper methods of inspection and appraisal.

Government Regulation of Railroads

THE Congress of the United States should speedily enact legislation providing for the early return under federal charters to their owners of all railroads now being operated by this Government under federal regulations permitting the elimination of wasteful competition, the pooling of equipment, combinations or consolidations through ownership or otherwise in the operation of terminals, and such other practices as will tend to economies without destroying competition in service.

Government Ownership Opposed

WE are opposed to government ownership and operation of telegraphs, telephones, and cables.

Public Works To Absorb Labor

THE development of public works of every sort, as recommended by the President, should promptly be resumed, in order that opportunities of employment may be created for unskilled labor.

Merchant Marine Needed

WE recommend that the construction of a great merchant marine be continued and amplified, and that its operation under American control be kept safe by such legislation as may be necessary to insure its stability and its lasting value to American industries.

Increase of Port Facilities

THE recommendations of the Port and Harbor Facilities Commission of the United States Shipping Board for development of American ports are supported. Vessels of foreign register needed for our commerce by sea are attracted to those ports which are best

fitted to coal, to load, and to unload cargoes, and thus provide means for a quick turnaround.

After ascertaining the port facilities of European countries, and their plans for further development, the Commission has recommended that there should be a local port commission at each of the important ports upon our coasts, that upon these commissions there should be representatives of industrial, commercial, and railroad interests centering at the port, that facilities should be installed to meet the needs of the port, and that a zone system should be arranged by which exports and imports would flow through those ports which are within economic transportation distance of the points of origin and destination.

There should be co-operation with the Facilities Commission in its task of expending means which will enhance the position of the United States among maritime nations.

Public Utilities Need Support

PUBLIC Utilities have faced difficult problems, which have been accentuated by conditions arising out of war. The development and efficiency of such a utility as local transportation has immediate importance for every community.

It is recommended that the Chamber of Commerce of the United States should appoint a committee to investigate and study the question of local transportation as it relates to the control of rates and service, franchises, taxes, the attraction of capital into the business, and such other questions as the committee may find pertinent.

Such a committee should report its recommendations to the Board of Directors of the National Chamber, and the Board should deal with them in accordance with the established procedure of the Chamber.

Water Powers Bill Pushed

INDUSTRIAL activity is dependent upon the available supply of power. A bill which would affect the development of hydro-electric power upon waterways and lands which are subject to Federal jurisdiction is now before a committee of conference between the two Houses of Congress.

It is important in the public interest that Federal legislation on this subject should be enacted without further delay. We accordingly urge that the conference committee arrive at an acceptable form of legislation in season for enactment at this session of Congress.

Let Us Share With Allies

IN war we have made common cause with the Allies. We should likewise make common cause with them in seeking the solution of the immediate problems of reconstruction which they face, because of the efforts they put forth in the war. These problems peculiarly depend for their solution upon commerce.

Raw materials and industrial equipment which we possess the Allies urgently require, that they may reconstitute their economic life. We should deal generously with them in sharing these resources.

In order that we may share our materials with the Allies, we must also provide them with credits through which they may make the necessary payments.

Our ocean tonnage must supply our troops overseas and help to provision the inhabitants of war-devastated regions. The part of our ocean tonnage not required for these paramount needs, and vessels of associated countries which are in a similar situation, should be

entered in the common service of all nations. This common service should secure to all nations their immediate needs for food, raw materials, and transport for their products.

Markets For Foreign Trade

WE strongly urge upon our Government the vital necessity of encouraging and developing our foreign trade through all appropriate means possible, in order that the production of industry may afford employment to wage earners and prosperity to the nation.

European Commission Recommended

THE business men of the United States, having devoted their energies and resources toward the winning of the war, regardless of sacrifices or burdens, in support of the principles for which this country fought, appreciate the necessity of continuance of unremitting effort in order that the world may be restored to normal conditions as quickly as possible and the blessings of peace brought to all peoples.

In the accomplishment of these results the highest efficiency of the great commercial and industrial powers of our own country and that of the Allied nations will be developed only through co-operative effort and common counsel.

In order, therefore, to contribute to the fullest toward the prompt solution of the problem presented, the Chamber of Commerce of the United States is requested to enlist the co-operation of national bodies devoted to the extension and promotion of American commerce and particularly foreign trade, in the appointment of a commission representative of American business, which shall proceed without delay to Europe and establish machinery for the following purposes:

- (a) To study at first hand the reconstruction needs of European countries in conjunction with business men of these nations, in order to advise the business men of the United States as to how they may be most helpful in meeting the necessities of Europe and caring for the interests of American industry and commerce.
- (b) To be available to the peace delegates of the United States for any needed information which they may be able to present or for any other aid which may be given by the business men of the United States through the medium of such a commission.

The Chamber of Commerce of the United States also is requested to appoint members of the Commission to represent the business men of the United States at the forthcoming meeting of the Permanent Committees of the International Congress of Chambers of Commerce.

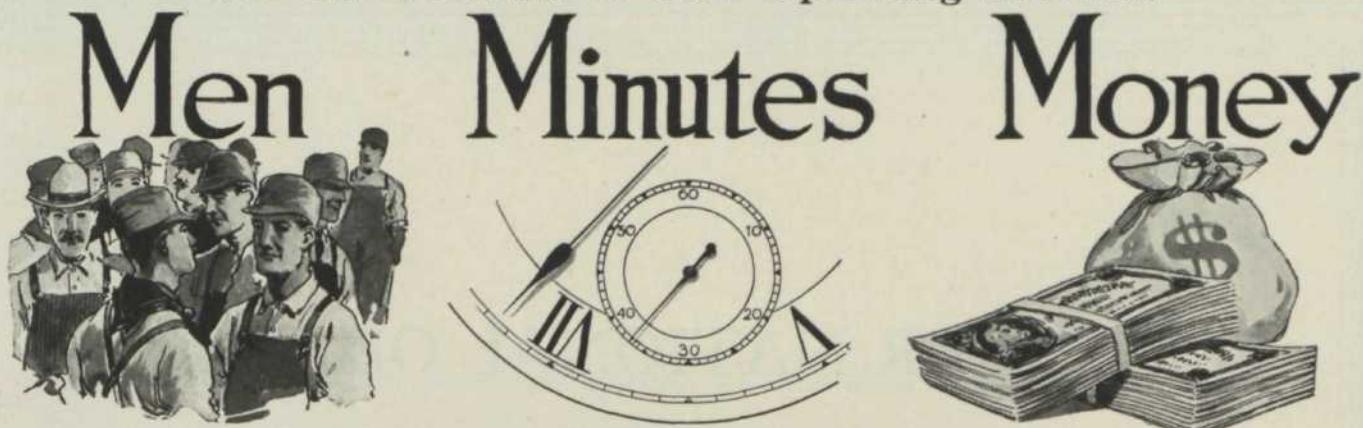
South American Relations

IT has long been the policy of this nation to cultivate relations of close sympathy with the nations of the western hemisphere as expressed in the Monroe Doctrine. We believe that those relations should be supplemented and strengthened by a vigorous development of our commercial and financial association with our neighbors of North and South America.

The Government's control of shipping should be brought to the accomplishment of this purpose as soon as it is consistent with

(Concluded on page 59)

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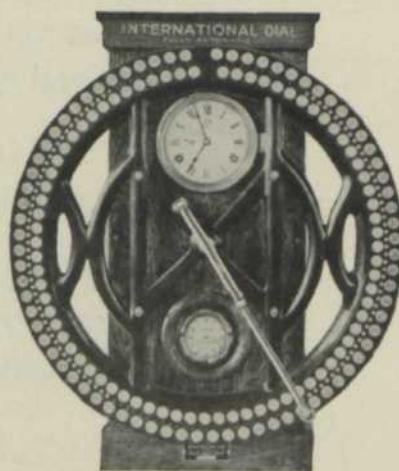
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OUR NATIONAL OBJECTIVE

To many men the future spells business opportunity, liberation from restriction, restored markets — all that goes with a freer and fuller industrial progress.

Doubtless this is an objective worthy of great activity, great effort and great concentration — but is it big enough for men who have just passed through an emergency in which they consecrated all the industrial resources of this mighty nation to an ideal, untainted by purely selfish purpose?

For more than a year the objective of American business has been one to which all alike could subscribe. Producer, distributor, competitor and customer — every worker from least to greatest — all stood on a common platform. We have witnessed the results of unity of command, unity of purpose, and unity of effort, in what was not only a great moral and military achievement, but the greatest industrial achievement in history.

The future holds for us equal community of interest and equal opportunity for a common objective.

We do not believe that commercial success — measured purely by its material reward — will ever again satisfy American business men. But if we can regard business

achievement as public service, business success as a contribution to world progress, business management as a great human responsibility, the lessons of the war will not be lost.

America can lead the world in solving great industrial problems affecting the welfare of all humanity.

America can produce food to feed nations, materials and manufactured products to increase the usefulness and comforts of millions.

America can create wealth — not solely for the aggrandizement of a few but for enjoyment by all, and can show the world how great things can be accomplished by inventive genius and executive ability coupled with ideals of service.

The great industrial organizations of the future will be known not simply as successful business institutions, but as definite contributors to human progress.

But if this larger achievement is to follow, we business men must appreciate the vital importance of closer co-operation, more efficient management, and a vision that looks beyond the narrow limits of a competitive market.

To help attain that objective The Burroughs Adding Machine Company enlists its product, organization and physical equipment in the service of American industry.

THE BURROUGHS ADDING MACHINE COMPANY
DETROIT, MICHIGAN

January 1, 1919.

Industry's Congress Resolves—*(Concluded from page 46)*

other urgent needs, and the work of the Pan-American Union should be continued and broadened in scope.

Property Rights In Mexico

MY provisions in a constitution adopted while much of the country was engaged in civil strife, and through subsequent legislation, Mexican authorities have threatened rights acquired by Americans in good faith, especially in minerals, including petroleum. Against threatened confiscation the American Government made formal protests. The attitude taken by the American Government is heartily commended as in accordance with obvious justice.

Forest Products Laboratories

THE Forest Products Laboratories, of the United States Forest Service, have rendered valuable service through scientific investigation of the physical properties of American woods and their adaptability for structural, industrial, and ornamental usage. It is of great importance to American industry that the government should extend and adequately maintain the work of the Forest Products Laboratories.

Uniform Cost Accounting

IT is the sense of this Convention that a system of uniform cost accounting should be adopted by each industry.

Education For Foreign Commerce

IN the larger opportunities which are to be opened to American business men to play a part in the international commerce of the world the need will be felt for more men who are trained to a knowledge and understanding of the language, the business methods and the habits of thought of foreign lands. Complete success can only come to those who succeed in putting themselves into full accord and sympathy with the peoples with whom they are to deal.

We urge upon our industrials that they take steps to provide opportunities to young men to obtain an education in the practices of overseas commerce and finance and in the practical use of foreign languages.

We call the attention of the various departments of government and of educators to the importance of this matter and ask that special efforts be made to supplement the valuable work already done and to open up every facility to the furtherance of a successful prosecution of this educational work.

Federation of War Service Committees

YOUR Committee has given serious consideration to the suggestion that following this Conference an executive committee should be appointed to relate the efforts of the various war service committees, keep them continuously informed on matters of common interest, and co-ordinate their work on national problems.

It is the conviction of your Committee that it is absolutely essential to the stability of business in this country and the prompt and wise solution of our problems that the war service committees should continue their work in co-operation with Government agencies and now turn their attention to the new questions with which the country is faced. We therefore recommend that all present committees so represent their industries and that an Executive

Committee be named with as little delay as possible.

At the meeting of the chairmen of the war service committees held in Washington, D. C., on December 12, 1917, the Chamber of Commerce of the United States was requested to undertake the organization of committees in all the industries not then represented.

By vote this Conference also requested that the War Service Executive Committee of the National Chamber should act as the executive committee of these committees of the industries.

At the meeting in December, 1917, it was suggested to the War Service Executive Committee of the Chamber of Commerce of the United States that as soon as practicable a council be appointed representative of all the industries which would act as advisory to the War Service Executive Committee.

It is believed that the time has now arrived when such a council should be formed and it is recommended that this Council be composed of the chairmen of the war service committees.

The Board of Directors of the National Chamber has stated that, if it be the desire of this Convention, the Chamber will be glad to reconstitute its War Service Executive Committee and have it continue to serve in the same capacity in which it has acted during the war, directing attention particularly to the problems of reconstruction affecting all industries.

In this direction the Chamber would wish to make the co-operation of these committees on a national scale as effective as possible, and it will continue to publish such bulletins and reports as may be necessary for their benefit, and place at their service the facilities of its general headquarters in Washington and its branch offices.

It is the opinion of your Committee that this Conference should immediately take advantage of the willingness of the Chamber to undertake this responsibility, and it therefore presents the following resolutions:

RESOLVED, That this Conference requests the Chamber of Commerce of the United States to appoint a War Service Executive Committee of such number as may seem best to relate the efforts of all of the War Service Committees, and to aid in making effective the action of this Conference and pledges its

assistance to the National Chamber in securing the service on the Committee of such leaders of industry as may be called to act.

RESOLVED, That the chairmen of the War Service Committees of the industries, or in their absence the vice-chairmen, shall constitute a Council to be advisory to the War Service Executive Committee, and to meet from time to time at the call of the Executive Committee or any twenty-five members of the Council.

RESOLVED, That new War Service Committees representing industries not now organized may be recognized by the War Service Executive Committee or by the Council.

Industries Should Be Organized

THE experiences of the war have clearly demonstrated the value of national trade organizations and their service to the country as well as to industry.

This Conference heartily approves the plan of organizing each industry in the country in a representative national trade association and expresses the belief that every dealer, jobber, manufacturer, and producer of raw materials should be a member of the national organization in his trade and cordially support it in its work.

The Associated Business Papers

WHEREAS, through the enterprise of the Associated Business Papers, Inc., in publishing the Reconstruction Conference Daily, the many separate activities of the Conference have been reported to the delegates; and

WHEREAS, this has brought about a degree of co-ordination and correlation which would otherwise have been difficult to attain; and

WHEREAS, The Associated Business Papers, Inc., and Trade Papers generally contributed generally of their assistance in the preparations for the Conference, and through the publicity and advice freely given their readers, have played a highly important part in drawing together this record-breaking attendance of the leaders of American business: therefore, be it

RESOLVED, That the Reconstruction Conference hereby tenders its thanks and appreciation of the aid so effectively given by the Business Press of the country.

Foreign Trade: The Game Is On*(Concluded from page 20)*

tively small reduction of our man-power through war losses, we may have a considerably increased supply of labor. It will obviously benefit all our people to find suitable and fully compensated occupation for all the hands at our disposal.

It may be hoped that when peace returns bringing with it normal conditions of commerce and necessity for contributing to the prosperity of our new merchant marine by every means in our power will be impressed on every department of American industry and on every productive interest in the country.

It is nothing less than a new era in its commercial and industrial development that the possession of this huge merchant fleet will open to the United States.

There was a period in our history, and a particularly glorious one it was, when the gaze of this nation was turned seaward, and when we took as a matter of course the job of being the ocean carriers of the world. But two generations of development mainly landward have

somewhat dulled the old aptitudes and disturbed the old sense of confidence. I have not the faintest doubt that both will return as they are needed, and that nothing but the shortsightedness of self-seeking politicians and the misplaced activities of injudicious friends of labor can prevent this nation becoming once more the foremost seafaring people of the world.

I have before found occasion to say that the United States could fairly congratulate itself on having used no unfair means to seize the commerce of other peoples, on having used no unfair advantage of the industrial extremity of others.

On the contrary, we had accepted the responsibility of carrying on enterprises which had been begun by European capital whose further supplies were interrupted. We are certainly entitled, on this score if on no other, to demand that after the war full, frank, and free co-operation among the nations must be the rule.

Firestone Truck Tires



SAVING the truck, saving the load, saving the fuel, that is the mission of this Firestone Giant Tire. The greater traction given by this giant grooved tread keeps trucks going through snow, mud, all the worst conditions that winter brings.

It is but one of the complete line of Firestone Truck Tires, comprising a tire for every load, road and condition.

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Sitting In With Our Major Crafts

THOSE who were fortunate enough to see the manufacturing leaders of this country legislate at Atlantic City early in December, will tell you that there were really eleven congresses instead of one. There was the general sessions held on Youngs' Million Dollar Pier and there were the ten "major groups" meetings held at strategic points. These major groups were historic in their make-up, each one including for the first time in our representation of an entire major industry, such as steel, textiles, food, and in several instances produced speakers whose addresses have since

been widely quoted. Mr. Alba B. Johnson, for instance, who read a paper in the steel group, was asked to repeat it before the whole congress.

Following are condensed chronicles of industrial revelations which came out of the major groups meetings. We hope that they will reflect something of the spirit of these small, but busy, gatherings. From them went directly to the clearance committee the carefully pondered resolutions from which that committee chose the thirty-one which were given finally to the open congress.

Syrup From Sunshine

AT Atlantic City, in what he called a ramble around the sugar question, the sugar beet is the prize vegetable economist. It gathers sugar from the sunlight, taking for it none of the valuable elements from the soil, so that returning the by-product to the land practically restores the original fertility.

Aside from the benefaction of soil aeration, resulting from a deep crop and the necessity for deep plowing, the sugar beet itself produces a fertilizer. Of the mass of fine fibrous undisturbed when the crop is taken, an average of a ton to the acre is left in the ground to decay and add humus to the soil. Each rootlet as it decays leaves a tiny open channel down which rain can percolate to the lower strata and there remain stored for a later crop. The beet perhaps gave the tip to the dry farmer.

Records from five hundred farmers show the increase in yield of other crops through rotation with sugar beets to be: wheat following beets, 49.87 per cent.; corn, 24 per cent.; oats, 50 per cent.; barley, 56 per cent.; rye, 120 per cent.; (few reported) potatoes, 45 per cent.; beans, 40 per cent.; timothy, 28 per cent.

So valuable has it proved to the soil that European sugar-growing countries formerly paid out enormous sums in export bounties simply to increase the sugar acreage. After a long tariff fight, especially between England and Germany, this formidable competition with the Cuban and colonial crop was finally done away with at the Brussels convention.

Before the war, seventy per cent. of the beet seed was grown in Saxony. Ninety per cent. was grown by Germans, either in Germany or in Russia. Seed growing requires a type of patience that doesn't flourish in America.

The process of selection has produced a beet from which we get more sugar than the total weight of the beet with which the process began. The first step is a miscellaneous planting, which the seed selector examines plant by plant for spread of leaf and size of leaf veins. There are 48,000 plants in an average field! These selections are marked and pulled before the others, and examined for size, weight, color

and texture. Those that pass are put through the chemical test, a cylindrical section taken from each and analyzed for sugar.

After a winter in silo they are analyzed again in spring to note the deterioration and finally planted and allowed to go to seed. That first crop of seed, the elite seed, is never sold. You couldn't buy it at any price. The seed from the first harvest of elite seed, sells from ten to fifteen dollars a pound.

That is the laborious process America has found it cheaper to let other people run. But the war came and the sugar growers were up against it. Great Britain blockaded German ports and would not allow the exchange of seed for food that Germany asked.

Most of the elite seed from Germany was grown on Russian farms. The sugar men promptly sent agents to Russia where seed had been selling at eight and a-half cents a pound. Inside of sixty days it was selling from twenty to thirty-five cents, in advance. Six thousand miles from point of export too!

But as Mr. Palmer remarked, our fellows were nervy. They sent men over to buy that seed, not only to buy it but to convoy it. Every train load had to have a man with it. If the war ministry happened to want those cars for troops the seed was dumped and the agent had to look after the seed and hire another train. Generally they had one awful time.

An American seed company has been organized with farms in Idaho. This year the country will produce nearly fifty percent. of all the United States will use. It will cost twelve or thirteen cents against the eight and a-half cents formerly paid abroad, but it will make the sugar industry independent of any other country.

And the sugar beet could make us entirely independent for our "sweetenin'." The area in the United States suitable for beet culture is 270,000,000 acres. If only a quarter of that area were cultivated and on only one out of every fifty tilled acres beets were grown, the product would enable us to stop using foreign sugars.

More Homes! More Highways!

HOMES and highways in their relations to the new era of peace were considered at the Atlantic City industrial congress by Major Group Number Ten, which met in Hotel Chalfonte under the Chairmanship of Mr. James J. Hoey, Vice-President of the Continental Insurance Company of New York City. In a special address Mr. W. M. Garland, of Los Angeles, President of the National Association of Real Estate Board, proposed that real

estate operating be recognized as a profession.

Mr. Garland cited the war record of real estate men in appraising property purchased during the last eighteen months for various branches of the Government as an example of unselfish, patriotic service which saved many millions of dollars.

He said further that the experience of those months had proved to him that it was imperative that the Government establish some spe-

cial bureau for the control of all real estate held in federal hands. He had found, he said, much waste and lost motion in the various Government departments having control of real estate, a waste which could undoubtedly be saved were there in charge of all such property and expert in these lines.

"It is with that thought," he added, "that we now look forward to a building era throughout the United States. We are intensely interested in the development of home life, and the splendid citizenship which results therefrom. We desire particularly to encourage the building of homes for the working classes. This industry has by abridgement and curtailment, since February, 1918, been absolutely stopped.

"The only homes erected for working men have been by the housing bureaus of the United States Government. They have constructed thousands of houses, which were to be occupied by laboring men engaged in war work. The abrupt, but nevertheless welcome, termination of the war leaves these thousands of homes incomplete and unoccupied.

Homes Make Patriots

"Through the influence of town planners and architects, communities were in process of development, all of which should and must be abandoned; and the Government must now realize, as best it can, from the early disposition of these half-finished developments. I advocate that all such property built under the various housing Acts should be sold, as soon as it can be advantageously disposed of; for public policy and American tradition seems to demand that every semblance of control of the home by the Federal Government be destroyed on the instant that the necessity for such control ceases to exist. This sort of paternalism is not American.

"There can be no doubt that in times of Peace, the greatest happiness lies among the contented home owners; and, in time of strife, when our citizens are called upon to bear arms in defense of their country, the man who owns his own home is inspired to fight that much harder, for his flag. In the War and Navy Departments, if steps are not soon taken to provide a proper method for the disposition of hundreds of millions of dollars worth of property acquired for the emergency, and which will be no longer needed, there will, in my opinion, be a tremendous waste and loss to the Government, attended by many scandals."

Mr. Garland's address was followed by the adoption of sixteen resolutions. These embraced recommendations for the return to private ownership of all present Government-owned utilities, the establishment of a subsidized merchant marine, the study of a revision of the patent laws, the establishment of a league of nations and the formation of a Government highway commission.

The recommendation for a national highway commission was supported warmly by Mr. Frank C. Wight, of the *Engineering News Record*, New York City.

"This resolution," said Mr. Wight, "originated in the War Service Committee on Highways, which is composed of the Association of State Highway Commissioners, the American Automobile Association, and the Highways Industries Association. The construction of highways is advocated therefore by the three classes who are interested in highways; the

(Continued on page 55)

AN INVITATION TO AMERICAN MANUFACTURERS

AMERICAN products have for years been discredited in foreign markets because of the use of packages of inadequate construction and indifferent packing :: :: ::

It avails but little to produce a superior commodity unless that commodity be delivered to the consumer in perfect condition ::

During the war period the Wooden Box Industry has closely cooperated with various departments of the Government in designing and constructing export packing boxes for munitions, food-stuffs and supplies of all kinds, with a view for conserving vessel space and providing complete protection of the contents while in transit to our forces over seas and to our allies.

Qualified by years of experience in times of peace and of war—armed with the results of innumerable scientific and practical tests, the Industry is prepared to draft specifications for wooden boxes and crates designed to provide at a minimum cost, maximum protection of contents, of whatever nature, from the varying climatic conditions and the hazards of transportation by land or sea :: :: :: ::

The Wooden Box Industry through its national association desires to cooperate with the manufacturers of the United States in developing and extending our foreign commerce. It therefore cordially invites all manufacturers to take advantage of its facilities and experience to the end that the products of this country may be safely and satisfactorily transported to all of the markets of the world :: :: :: ::

This service will be gratuitously and gladly given. A letter addressed to our Chicago Office will command immediate attention

NATIONAL ASSOCIATION *of* BOX MANUFACTURERS

(The National Organization of the Wooden Box Industry)

1553 CONWAY BUILDING :: :: ::

CHICAGO, ILL.



Ready for the demands of Peace as we were for those of War!

DURING the world war every demand made upon Wilson & Co. was met, and met without swerving from the announced principles and policies of the organization. The establishing of peace means responsibilities of even greater importance.

Our army and navy, as well as those of our allies, are still in service; they must be fed. The peoples of the war-stricken countries are calling for foods—particularly for meats and meat products. Here at home the necessity for a comprehensive food supply is just as great as ever.

We are grateful to every individual directly or indirectly connected with the Wilson organization for the competent, confident manner in which all are co-operating to enable the institution to accept and meet its responsibilities.

TO the general public we announce that we are as ready for the demands of peace as we made ourselves for those of war. The Wilson label has been established as a safe, sure guide to the buying of food products of wholly dependable quality.

Your own mother could not be more careful or more thoughtful in the preparation of the favorite dish of the family than we are in the selection, handling and preparation of the various Wilson products. The Wilson label shall always mean that the product it identifies has been prepared with the respect due that which you are to serve on your table.

The Wilson label is *earned* by Majestic Ham, Bacon and Lard; Certified Canned Vegetables, Fruits and Table Specialties; Oleomargarine, Nut-margarine; Clearbrook Eggs and Dairy Products; Sausages and Delicatessen Products.

"This mark

WILSON & CO.

your guarantee"

CHICAGO

The Wilson Label Protects Your Table

More Homes! More Roads!

(Concluded from page 52)

users, the controllers, and the builders. Their argument is that the development of highway transportation during the war period has been so vital to the carrying on of certain war industries that it is an obvious necessity that we should enter into a very much larger, more extensive highway improvement era, and that such a new development should necessarily be the function of the national body.

"They have a second argument that it is highly desirable—and this argument was expressed by Secretary Redfield yesterday—that it is highly desirable that some reservoir for the returning labor should be provided by the Federal Government, such public works, Secretary Redfield said, should be immediately started.

"The highway is a public work distributed all over the country making available immediate work for a vast number of released soldiers and laborers from the now closed down war industries. It does not require the travelling of the various workmen very far from their

homes and that is a point worth consideration.

"It is not advocated that the United States Government control all the roads in the country; that would be impossible. We are advocating, however, that there be a system of national highways, comparable, if you like, to the system of railways, traversing the country and under the control, both as to appropriations and maintenance, of the Federal Government; that there be appointed a new Federal Highway Board or Commission, whatever you choose to call it, reporting directly to the President, comparable to the Fuel Administration, shall have entire care merely of the Federal highway system, not of the un-related systems of highways."

Some opposition to this plan was made on the part of those who felt that a Federal plan would work an injustice to the various states. It was feared that large improvements made in one state would be paid for in an excessive way by other states whose roads were in a good condition. This difficulty, however, was avoided, by inserting in the resolution finally passed a provision that each state should pay in proportion to the work done in that state.

Savings and Shavings

MAKING the hard-worked subject of Conservation a talkable one was the feat performed by Mr. A. W. Shaw, Editor of "System," at the opening of the meeting of Major Group Number Six, Wood and Wood Products, at the Reconstruction Congress. He told of the war work of the Conservation Division of the War Industries Board that dealt with 252 distinct industries during the course of the war.

"How could we deal with so many industries? Because, as a matter of fact, the Conservation Division simply supplied the point of view and the work was done by the industry itself. We told the industry that war made it necessary that the Government have every ounce of material and capital and labor, every bit of material that could be taken out of their business and the industries gave us the answer.

"The Conservation Division was essentially a war-making division. It goes out of existence and should go out of existence. It is not American. It never should have mandatory power to say that you should do thus and so in your individual business.

The Midway Path

"PERHAPS, however, there is something that may come of it. What I see is a new kind of competition that can grow out of our experiences together one, that is midway between the extremes of free competition and combination in trade that will cut out the waste of extreme competition and will not subject the public in any way to some of the evils of competition. Macauley has said that the best government is the one that takes the path midway between the two extremes. The best kind of business I think, takes a path midway between combination and competition."

So many were the resolutions to be considered that the lumber men met again in the evening when they were addressed by Mr. Adolph Karpen of Chicago. It is Mr. Karpen's most emphatic belief that the furniture business is one industry that has too much standardization. Mr. Karpen deplored the tendency towards excessive standardization, saying: "You gentlemen that are not in the furniture industry might be impressed to know that there are many lines of goods made in furniture where the resemblance is so close that if you were to place a similar article from many factories before you, you could not detect any difference."

The encouragement of a return to the creative instinct and fine feeling of workmanship that pervaded the Renaissance and other famous furniture periods was the theme of Mr. Karpen's scholarly address.

"Why is it that we do not have a pure American type of art in furniture as well as architecture and painting. It is, I believe, because we do not sufficiently encourage or patronize the artist-designers as was done during those periods when the artists were patronized by rulers and governments of the time. I hope to see the day when some courageous artisan will give us a pure American type, characteristic of the nobility of our people, worthy of a place among the historic furniture of the world."

Signing the Pledge

BEFORE the lumber men broke up, the Chairman who had come 3,500 miles to attend the Conference explained the meaning of the small badge he was wearing. It was the emblem of the Loyal Legion. "It is the 'labor union,'" said Mr. Donovan, "which was organized just a year ago by appealing to the loyalty of the men of the Northwest, many of whom had been partially seduced by the I. W. W. and whom we were trying to hold in line in the lumber camps and mills of the Northwest.

"The theory was this: Any man who was willing to pledge himself to use his best efforts during the period of the war for the production of airplane and ship timber should sign the pledge, be given a little card and this badge. In practically every mill and camp on that coast in the course of three months the men had signed up and those men who were most loyal were so urgent in their pleas to the men who would not sign that it was not healthy for a man in the camps or hills not to wear this badge.

"Today we have organized the entire lumber industry in three states, Washington, Idaho and Oregon, and we have further arranged local committees in each camp or mill, district committees covering several counties and a central committee covering the three states.

"I want to say that I am thoroughly converted to the idea of collective bargaining with the men. We have not had any trouble whatever on the Pacific Coast since our organization was perfected."

A Car in Every Home

AUTOMOBILE manufacturers, now that the war is over, believe there will be an unprecedented demand for cars from all parts of the world. The optimism felt by the entire trade was expressed by John M. Willys, of the Willys Overland Company, in a paper before the Steel group of the Reconstruction Congress of industries just held at Atlantic City.

"To manufacturers," said Mr. Willys, "the future looms bright with increasing possibilities, revealing new markets, both foreign and domestic, which up to the present time have scarcely been touched.

Industry in Its Youth

THE automobile manufacturer feels more than ever that the tests of war have vindicated his belief in the remarkable efficiency of his product and the vital way it fits into the general scheme of life and business the world over. He feels that his industry is now better understood, that the remarkable engineering achievements that made the successful motor car possible, which before the war were merely taken for granted, are now better sensed and appreciated by the general public.

"He returns to the task, after war-time curtailment and suspension of effort, believing that the automobile industry as a whole is still in its youth, and with the vigor of youth inspired by rest and relaxation, will tackle the development of this great agent of transportation as never before.

"There will be, of course, a certain period of time elapse before manufacturers in general will be able to get back to a pre-war production basis. Just how long that period will be is hard to say. It will vary in many instances, for some manufacturers have been engaged to a greater degree on war work than others.

"But people must not think that the development of the passenger car was wholly abandoned during the period of war. The work of the experimental room still went on. Ideas in their first stages were matured and installed in the product. New models which had not yet left the experimental and designing hands, have been refined and perfected. Most manufacturers decided long ago just what they were to make as soon as sufficient materials, labor and machinery should not be needed by Uncle Sam.

"The demand for automobiles will be unprecedented at home and abroad. The effect of European competition, especially in export markets, will not be seriously felt until the countries in the war areas have rebuilt their industries, filled their own requirements and been able to manufacture a supply to sell to other countries.

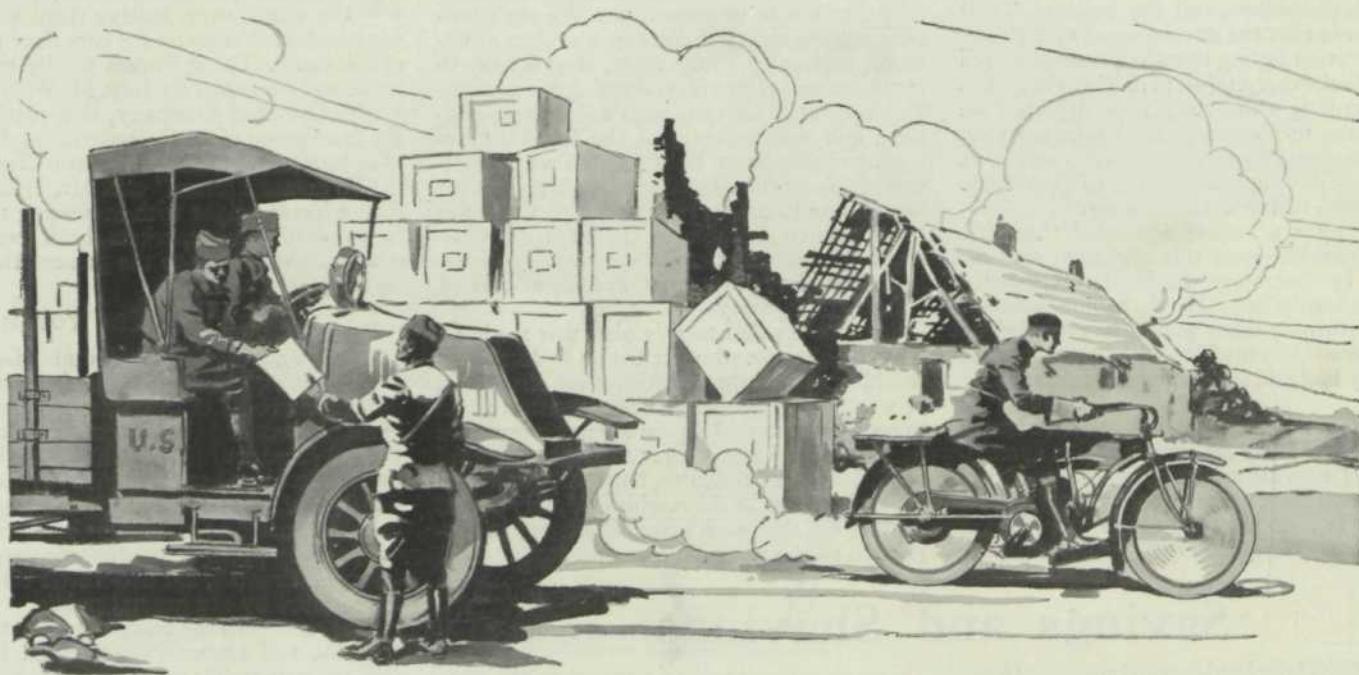
Car No Longer a Luxury

MOTOR cars have become such a vital part of the very fabric of life that their production is bound to be governed by practically the same laws as any other commodities. Cars will be used, worn out and replaced the same as shoes or clothing or anything else entering so intimately into a man's life.

"All this will have a stabilizing and beneficial effect on the sale of automobiles. When the good accomplished or the work done by an automobile is judged fairly from the standpoint of economy in time, convenience, health, etc., the so-called merely pleasure riding almost entirely disappears before the light of real utility.

"The curtailment of passenger-car production during the war has practically cleared up the second hand market. This will help the

(Concluded on page 58)



A slip of paper in the soldier's hand—
his order for supplies needed at the front

Paper There

DID it ever occur to you that not a shell could have been fired, not a troopship dispatched, not a soldier trained, without paper?

Questionnaires, printed on paper, for millions of men called to the colors.

Bonds, printed on paper, for billions of dollars to back up the fighters.

Requisitions, specifications, vouchers—tons and carloads of paper, playing their vital part in the stupendous struggle.

And all these a bare handful, compared with the vast array of orders, invoices, checks, notes, receipts, statements, and a hundred other

kinds of printed forms used in carrying on the country's every-day business during the war.

A necessary adjunct of war, paper is one of the very fundamentals of peace. It will play a tremendous part in the work of reconstruction, in the rebuilding of industry, in bringing about the better world conditions for which so many men have given their lives.

Paper, and the printing press, are the heart and the life current of a world in order. Industry, commerce, law and science would be paralyzed, the voice of literature dumb, were

Look for this watermark—it is our word of honor to the public

HAMMERMILL BOND

"The Utility Business Paper"



A slip of paper in the farmer's hand—
his receipt for the grain he brings to the mill

Paper Here

paper-making to cease. Human progress is mirrored in printed sheets of paper.

What finer inspiration, then, for a man, or a company of men, than the making of paper—clear, clean, strong, paper, which will faithfully serve a nation at war or a people at peace?

The making of good paper has been our inspiration and the reputation of Hammermill Bond is the measure of our success. We know of just two reasons why Hammermill Bond is

the most widely-used bond paper in the world—its own unvarying standard of quality, and the splendid representation which it receives from the hundred-and-odd high-class paper merchants who sell it.

Hammermill Bond, nationally and capably merchandised, is stocked by most printers—by practically every printer, we venture to say, who has come to understand the significance and value of Hammermill quality, Hammermill representation and Hammermill service.

HAMMERMILL PAPER CO., ERIE, PA.

Look for this watermark—it is our word of honor to the public

HAMMERMILL BOND

"The Utility Business Paper"

dealer solve problems which have been serious and also enable him to start the reconstruction period of his business in a cleaner-cut manner with a distinct demand for new and better cars.

"Value will be sought as never before. The public will demand a car fully equipped by the manufacturer with all the possible essentials necessary for its successful and comfortable operation covered by the first purchase price.

"The class of people operating cars as a necessary part of their household equipage

who, because of patriotic motives, have not made their purchases with the customary regularity, are now rushing to get quick deliveries. The business man is figuring as never before the part the motor-driven vehicle may profitably play in his business. The man of moderate means sees the joys of reconstruction spent by himself and family in his moderate-priced but efficient automobile, and the farmer, with eyes open to the importance of saving time and labor, will depend on the motor as never before."

number of a specific machine has been built during the last twelve months than had been built by that same manufacturer in any five, yes, and even in any ten years previous.

"We have, therefore, this to remember. With the sudden release of the machines you are placing a ten years' supply of this particular machine on the market at a lower than manufacturing cost and the result will be, you have taken away the occasion for building any more machines and introduced a condition into the industry over which the original builder has no control, and furthermore, you have deprived him of a financial return to which we believe he is justly due. You should, at least, see that these machines are properly rebuilt and only released for resale in such numbers and at such a price as would still permit the manufacture and sale of new machines.

"But a second and more important fact is ready for our consideration. We are to be called upon to fill the requirements not alone of our own country, but we do expect some of those countries which have been devastated by the war to ask us to furnish machinery to fill their needs.

"Should these second-hand machines be sold to these our allies as they are, would they fairly represent the mechanical skill of the American manufacturer? What would be the impression made upon the foreign buyer if incomplete, below-standard machines were delivered to him, even though they were sold as second-hand machines, at a considerable reduction from the price of standard goods? We have never been any too careful of our reputation in our export work, and now is the time to take every precaution to prevent any lessening of the regard which others have for the name 'America.'

"The name 'American' which our boys have so nobly upheld on the field of battle and the name 'American' which our organizations for service and mercy have so unselfishly carried to every part of our allies' territory, the name 'American' which we all are so proud at this time to hear, must not be associated in anything less complete than the very best. For the sake of this good name, consider the fact presented most carefully."

Where Rates Count

INDUSTRIES that produce materials for heat, light and power face the future with courage and with the expectation that they will be able to solve their problems without great difficulty. This confidence was expressed by many speakers before the major group including these industries at the recent Reconstruction Congress of American Industry.

Producers of oil believe there will continue to be a scarcity of some of the materials for which there is the greatest demand, but think any scarcity will be met cheerfully by the public. The use of illuminating oils in the United States has decreased, but requirements are growing in remote parts of the world. There has been an enormous increase in the demand for fuel oil to be used as motive power in ships.

Public utilities have been facing extraordinary problems during the war. Street railways found profits dwindling and at the same time were confronted with the fact that many of their franchises specified five cent fares. Some have been serious sufferers.

Producers of gas, electric light and power, while hit somewhat as were street railway companies, did not have the same difficulties because it was easier in their case to raise rates.

The situation as regards coal and coke, producers believe will work itself out satisfactorily to the industry.

Co-operation in the Lime-light

THEY went to the school house to find wisdom, those clear-headed, open-hearted men of the Earthen Products industries at the Reconstruction Congress. They found it in full measure in the speeches that were made and the resolutions offered during their meeting in the auditorium of the Massachusetts Avenue School.

Charles Warner of Wilmington, Delaware, spoke for the lime industry in particular and all industries in general, when he urged the continuation of co-operative organizations in every industry in the days that are to come. "These organizations," he said, "should be encouraged by the Government to do research work through collective effort, in conjunction with the various permanent Government bureaus whose work has a bearing on the particular industry. Each industry should be encouraged, through co-operation with such Government bureaus, to issue accurate information relating to the use of its products through national propaganda and in other ways.

Again That Sherman Law!

"IN peace times, we do not favor the development of a paternalistic attitude by the Government in supervising, directing and governing the activities of industry, but rather the encouragement of a co-operative relationship. There is as much difference between supervision and co-operation as there is between paternalism and fraternalism.

"We see in our industry instances here and there of manufacturers through ultra fear of the Sherman and Clayton laws, refusing to join and support an association even though it does not directly deal with any question of price. This tends to destroy the effectiveness of such an organization, to make those who are aiding in its support feel luke warm towards it, and leaves the fearful ones to benefit by the efforts of those constructively inclined. A specific Government encouragement of such organizations and definite plans of co-operation in research work and propaganda will organizations and definite plans of co-opera-

tion in research and propaganda work will directly act to bring in the fearful and strengthen the whole morale of the industry.

"On price questions, we urge an exhaustive study by the Government through the appointment of a special commission of business men on a special committee of the National Chamber of Commerce for the purpose of determining specifically whether the principles underlying the Sherman and Clayton laws are sound or false in their effect on legitimate industrial growth.

A Formula For Combining

M.R. WARNER suggested that more liberal provisions in the matter of prices might be enacted in a new law, "For instance," he added, "it might be recognized by law that industries, according to their nature, hazards, supplies of raw materials, etc., should be divided into groups which would be allowed to earn upon the capital invested a rate of say, 8 per cent., 12 per cent., 16 per cent., and 20 per cent. These earning allowances should be taken on the average rate of the industry and not on the individual enterprise.

"If a substantial number of enterprises in any particular industry, say seventy-five per cent. of the total production, should desire the privilege of combining on price arrangements, the proper preliminary data could be submitted to a government committee for initial classification in a suitable earning group. If those enterprises then wish to proceed on a price agreement, they would have to provide the Government with the necessary information on earnings at stated periods, in accordance with a standard practice of bookkeeping agreed to by the government commission.

"The average earning of all the enterprises agreeing to such a working plan in a particular industry should be taken as the basis of earnings allowed for the industry under the group classification previously established.

"Such a working arrangement with the Government in its optional form might save many an industry at times from serious financial ruin in a number of its component enterprises."

A Plea for "Made in America"

dustry from the standard type to do a particular kind of work and said:

"Today many of these machines must be discarded either because of the dismantlement of the plant or when the plant resumes peace-time operations there will be necessarily thrown on the market a number of machines incomplete or special that must influence the manufacture and sale of any new machine to a considerable extent. In many cases a greater

WHAT to do with machinery adapted during the war for special government work is a serious question for many industries. This is especially true of the textile industry and the subject was discussed at length in the Textile Group meeting of the Reconstruction Congress of American Industries.

E. H. Marble, a machinery manufacturer of Worcester, Mass., called attention to the large number of machines changed in the textile in-

The Power of Petroleum



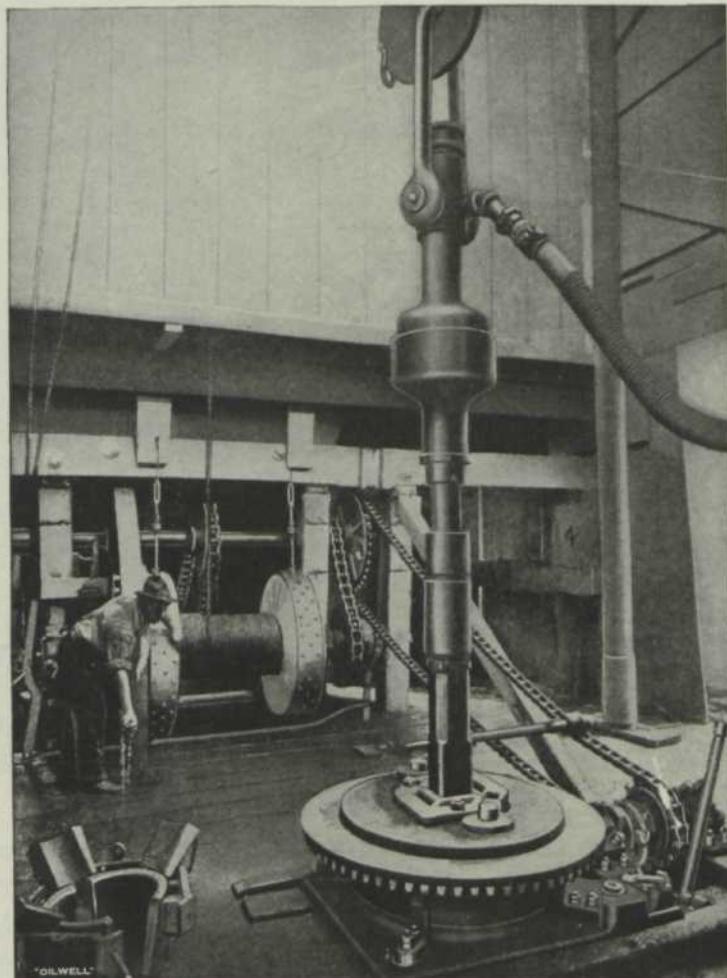
EVERYTHING
FOR
DRILLING

H

ANY SIZE
ANY DEPTH
ANYWHERE

H

Established when oil
was first discovered
in America, we have
grown up with the
industry and our expe-
rience is world wide.



An "Oilwell" All Steel Rotary Outfit in the California Field

"On high British authority we are informed that 'oil won the war,' that it proved the crux of the whole question of transportation on land and on sea, and the Allies won because they had it aplenty, while Germany was lacking, even after the rape of the Roumanian oil fields."—*Philadelphia Bulletin*.

*The working world wants oil in even greater volume to reconstruct
the industries of the devastated countries*

The Best Equipment Produces the Most Oil

Oil Well Supply Company

MAIN OFFICES: PITTSBURGH, PA.

NEW YORK

LOS ANGELES

SAN FRANCISCO

TAMPICO

LONDON

Everything for Oil Wells

Branch Stores in all Oil Fields

Standard Cable
System

H

Rotary System

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Canadian System

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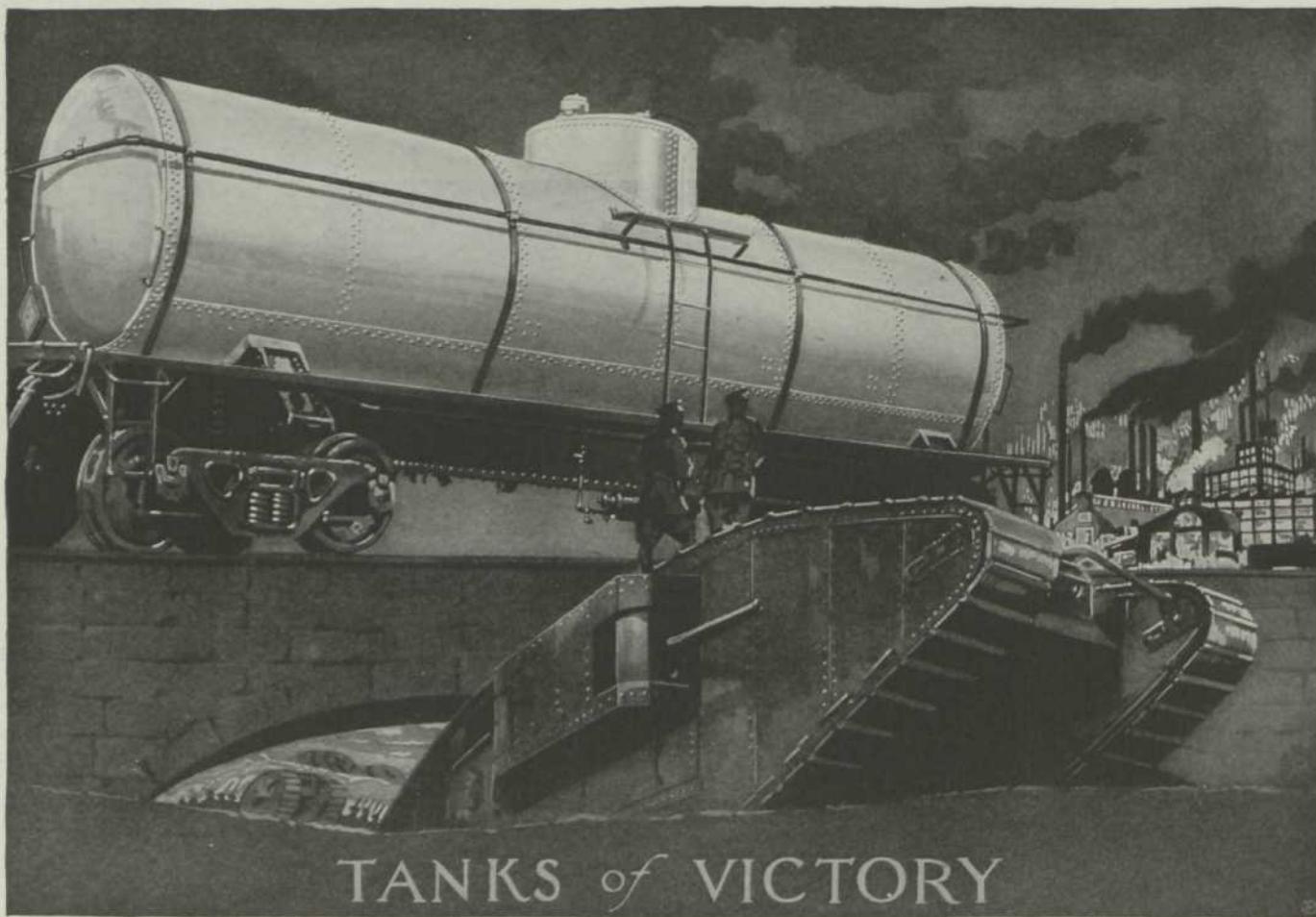
Combination System

H

Hydraulic Circulating
System

H

Also
Portable Drilling
Machines



TANKS of VICTORY

The trial of arms abroad has been victoriously concluded; now comes the trial of industry at home. America's leadership will be challenged hard. Upon the extent of the nation's manufacturing facilities and their efficient employment depend the peaceful victories of commerce in all the markets of the world. Vital to this victory is the service of the tank car—the transport for the forces of industry. Fuel for a hundred thousand engines; lubricant for a hundred million wheels. Without the tank car ships would drift, railroads stop, farms lie waste and industry stand still. Standard Tank Cars are the product of years of experience, the most modern principles in designing and highest grade materials. The name Standard on a tank car is a guarantee of long, faithful service, the utmost in reliability and practical efficiency.

TANK CARS BUILT, REPAIRED AND REBUILT

PROMPT DELIVERIES

Write any office for particulars, specifications, blue prints and any engineering information

Standard Car Construction Co.

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Wright Building

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Peoples Gas Building

Philadelphia
Brown Brothers Building

WORKS: SHARON, PA.

Standard Tank Cars

A Peace Program for Industry

(Concluded from page 12)

advantageously permitted. Is it not fair, therefore, that we should seek answers to the following questions:

Have not the agencies of the Government controlling combinations of industrial units during the period of the war been constructive rather than repressive during the war period?

Have the combinations during this period been detrimental to public interest?

Should devices making for economy, and possible only where freedom to co-operate is extended, be continued into the period of readjustment in order that their beneficial effect may be felt upon the cost of living and upon the greater ability to meet competition in the world's markets?

Must a federal agency or commission controlling co-operative relationship be repressive in its very nature, or can it be constructive without inviting abuse of its constructive effort?

Does not the period of readjustment and the experiences of the war make opportunity for this conference to properly suggest consideration by Congress of all statutes constituting our anti-trust legislation?

Readjustments in the field of rail and ocean transportation, and development of internal agencies to supplement these in the waterways and highways, offer an almost unlimited field for study and suggestion.

I do not feel that we have as yet all of the information needed to enable us to offer more than the most superficial recommendations with respect to future control and ownership, but there may be suggestions regarding operation that could profitably be brought to the attention of the Railroad Administration, and these would be both proper and timely.

There is still another subject believed by some to be the one of greatest importance, namely, the relation of labor to the period of readjustment.

I would not personally accord it first place through any thought of the danger of serious differences between the parties in interest, but I would gladly give it the place of honor as bearing upon vital human relationships, and without harmony and confidence here the period of readjustment will be long and difficult to negotiate.

We are facing many vital changes in the controlling power of the political and economic machinery of the world, power which if unrestrained will bring much grief before it settles down to a sober and intelligent recognition of its ability to impose harm as well as good.

Class and Caste

IN our own country control of our national destinies is sure to be invested in something else than the power of wealth or the intimidation of possession of great resources. In short, the less fortunate in birth or possessions, being numerically superior, will not permit a reversion to some of the methods of the past, nor is there any reason to believe that those who occupy the position of the more fortunate in material things will be less anxious to assist in developing a program that will embody the best provisions for co-operation and will eliminate class and caste in our internal personal relationships.

These are the problems. How shall we find the solutions?

The period of reconstruction will be short or long, the operation gradual and easy, or difficult and costly, in the measure that Ameri-

can business will co-ordinate its forces, work in unity, and not only wisely choose its representatives, but support them in their search for facts and back them in their conclusions.

Upon business rests the responsibility of determining what form of organization and what central committee shall plan our policies and make our declarations to those instrumentalities which the Government itself may create to direct the return of the country to normal operations and normal living.

We have many separate and diverse interests, some arising from the different requirements of the industries themselves, some arising from geographical location. It is not easy to merge into a common program, and with a common representation, all of the interests that are involved in the period of readjustment, but an effort must be made to do this thing or suffer the consequences of scattered and imperfect representation and difficulty in securing the co-operation of governmental agencies for the projects that business must advocate or meet the disadvantages of plans and proposals affecting our business interests in the making of which we have had no part and in carrying out will find difficult and expensive.

Business not Fully Organized

WE may as well face the fact that American business is not fully integrated in spite of the great strength of the Chamber of Commerce of the United States of America. We are organized in the minutest detail insofar as our communities are concerned or our individual lines of industry. We called into existence in 1912 an agency that might be spokesman for American business, but have we consistently used that agency as our spokesman, or having it, have we still acted independently in our organizations even upon questions of broad national importance and thus invited the criticism that we were disorganized and unwilling to delegate the voicing of business opinion to any central and united instrumentality?

If American business is unrepresented at the Peace Conference in an advisory capacity if not at the peace table, it may be, in a measure, because of this very disorganization. How many business organizations have tendered their good offices to the President in the appointment of representative delegations to act as advisers on industrial and economic problems?

I do not know, and I am sure that such tender was made from many different sources. How can the President choose one without offending the other? Why should he not feel that inasmuch as no central power actually existed to express the views and function for American industry, that he would better disregard all tenders of service and take his chances of himself interpreting the needs of our industrial interests in the peace negotiations in which he will be so prominent a factor?

Human Salvage

(Concluded from page 26)

an independent position in the future. Before the war there were only ten or twelve occupations considered suitable for the blind. Industrial engineers working for the American Red Cross Institute for the Blind, under the direction of Lieut. Colonel Bordley, have found approximately one hundred and eight occupa-

tions which the blind individual, after short intensive training, can carry on efficiently.

Over at Fort McHenry General Hospital may be found classes in printing, telegraphy, motor mechanics, carpentry, architecture, engineering, agriculture, the three R's—in fact the hospital resembles a large manual training school, professional school and grade school combined. Every class has its quota of disabled men and every man is working gaining more and more confidence in his ability to make good even though his body has been damaged somewhat by the war.

As a result of the reclaiming of the disabled soldiers a new viewpoint has been attained by the medical profession, by various educational agencies, by both industry and labor, and by many legislative bodies. The problem of the disabled soldier is being solved. Our greatest efforts must now be directed to secure the same benefits for the disabled from industry.

In the Army several million dollars have been set aside for the reconstruction and rehabilitation of the disabled soldiers, on an estimate that there would be approximately 50,000 of these men each year of the war needing reconstruction and 20,000 of these would need vocational training. Compare this with the meager appropriations allowed for the reclamation of the disabled employees—the soldiers of our great industrial army of whom, on the lowest estimate, there are at least 800,000 disabled by disease and accident in industry each year who need physical reconstruction, and at least 200,000 of these need training in new and better occupations.

What of Our Industrial Casualties?

IF the casualty list from industry could be printed every day in our newspapers the people of this country would be appalled at its size. In one year from accidents alone it is over eight times as large as the entire casualties among our troops on the battlefields in Europe.

We have no records to show the number who are killed or disabled as a result of occupational diseases and diseases partially traceable to working conditions, but these undoubtedly are even more shocking. Each year adds a quarter of a million men to the total number of incompetents who, on account of disease or accident, are prematurely thrown on the scrap heap because their handicaps prevent them from continuing at their old occupation.

A few industries salvage these disabled and make them efficient and independent. Some industries give these employees easy jobs where they can make a living, but the very softness of the job robs them of all incentive and the bitterness engendered from dying ambition adds to their incompetency, so that many of these drift into despair. With proper training, their full mental energy and remaining physical capacities could make them highly efficient in much more gainful vocations. Other concerns settle with their injured workmen when they are legally responsible and then dismiss them. They drift from one job to another, constantly dropping into a lower scale, until finally they relinquish all effort to work.

This casting of valuable workers needlessly on the scrap heap must cease. Industry must blaze the trail in this conservation and reclamation of human life. The prevention of accidents, industrial hygiene and sanitation, adequate medical and surgical care for the sick and injured employees, adequate compensation during periods of disability, and better living and working conditions for all employees are the proven methods which will stop this human wastage.



Bricks and Mortar Cost More

So your property's worth more today than a year ago and if your insurance doesn't cover this increase you're not fully protected. Insure fully, yes, but save the added premium by installing Globe Sprinklers. They pay for themselves.

Globe Automatic Sprinkler Co.

2019 Washington Avenue, Philadelphia, Pa.

Sales and Engineering Offices in all Principal Cities



*Hess-Bright's Philadelphia Factory
is protected by Globe Sprinklers*

GLOBE
SPRINKLERS

An Industrial Pentecost

(Continued from page 10)

Doers rather than talkers, too absorbed in creating a new world to stop to discuss it, their passions have been poured into great works of stone, steel and finance. But, sundered from their absorptions in office and factory, in unrestrained communion with each other, these builders gave themselves up to speech. And, what they had to say was said for them, to them, that Wednesday morning. The pulsating forces of the new world were expressed by President Wheeler with the simplicity that is truth, the preciseness that is daring, the emotion that wells up only from the solemn convictions of the heart.

The first burst of applause came when the speaker tendered the wisdom of the experience of his hearers to those peoples across the sea whose feet are now groping along new and untried paths. American business was ready to give as well as to get. With this first thought the first chord of harmony was struck between the speaker and his hearers. Thereafter they simply talked together.

"Arrant Liars!"

DELIBERATELY still, and with gripping earnestness, the speaker continued. As he entered upon the question of the peace conference, men leaned forward in their chairs. President Wilson had denied them a representation in Paris. What should they say? They all felt the same about it, but—what should they say? The words came:

"Business men are not competent in matters of diplomacy, but, by the same token, diplomats are not wholly competent advisors in matters of business."

Right! Of course! Thunderous applause.

Soon another and greater outburst of approbation. A true account of it will seem sheer extravagance. Business executives who sign endless letters at glass-topped tables, factory managers who frown at inventories black with figures do not spring to their feet, wave their hats madly in the air, cheer with all the power of their lungs, pound each other on the back, and cry out: "The truth, by the Lord! Say it! Say it again!" These things simply aren't done; and yet they were done that Wednesday morning.

And what was it that set afame these long-banked fires? Just this: an expression of hatred for the prowlings of the old-time, back-stairs diplomats. "Whisperers! Trouble breeders! Jugglers with words and reputations! Arrant liars!" The speaker shot forth the challenge. And a message for the world that trembled in the smoky haze of that great hall: American business knows a cleaner and fairer way to conduct the affairs of mankind and, if necessity requires, will take a hand to see that these better ways are tried.

Again quiet. An earnest appeal followed. The speaker proposed an international control during reconstruction of the world's stores of raw materials. Again his thought was political as well as economic. "What I suggest may be idealistic," he declared, "but it has the merit of common sense." From the national selfishness are bred the abhorred children of Bolshevism. To ensure social peace we must have economic fairness.

Toward the end of his address President Wheeler grappled with two of the master questions before the congress: that of the repeal of anti-trust legislation and that of labor. The first, being one of baffling complexity, he divided into five clear-cut leading questions. These questions, as well as the answers the

congress found for them, are set forth elsewhere in this issue.

As to labor—it was the most popular theme in all the discussions and addresses of the congress. Practically every speaker touched upon it. That the question of labor, impending and important as it is, was not settled, will surprise no one. But a new spirit of approach to it was discovered and voiced with constant iteration. And this spirit, the finest concrete result of the congress, was nobly voiced by President Wheeler.

Congress Dramatized

AGAIN, the speaker laid aside his paper. He pictured the ominously altered face of the political and social world. He decried every brutal use of the power of wealth; he appealed to the spirit of the boys who were coming home victoriously from the battlefields of France; he drove straight at central facts of the problem of labor.

The first speaker in the afternoon was "Charlie" Schwab. It is impossible not to say "Charlie." Anyone who knows him, anyone who heard him on this tremendous, sunny day in Atlantic City will understand. Extravagant phrases about Schwab come easily to one's pen. He is the chiefest titan of them all. The sparkling winter sun, penetrating through the western gallery windows, shot long slender rays like a battery of search-lights down upon the laughter-tossed multitude of men. And, youthfully vigorous, gay-hearted, dynamic, before them he laughingly shouldered his way through the tangled maze of the most staggering problems of the age.

What Schwab said is less than what he did. What he did was to dramatize the spirit of the congress. The yearning of our master creators to express themselves openly, freely before the whole world—their dreams, their pride, their sins, their philosophy—Schwab, the incarnate spirit of them all, did it for them in the grand and happy manner.

"Charlie" Schwab made vocal the great heart of a great congress. He did more; he did a thing which genius alone can never do. Although struggling himself in the very midst of the supreme battle of our age, the production of food, tools and goods to make easier mankind's struggle against the difficulties of existence, he saw the spiritual significance of it all. No traditional ascetic contempt of material interests, on ghostly rapture of self-abnegation for him! Honor to "Charlie" Schwab that he should remind us that it is only in handling the stuff and substance of the real world that the finer intellectual and ethical facilities are quickened into life. Listen to these words of his, for most of the newspapers omitted it from their accounts:

Schwab's Epitaph

WHEN I die, I want no shaft of marble or traceried stone to cover my resting place. I have spent my life making things. Let my memory be kept green by the work of my hands. When I go, I wish to leave behind me humming mills, smoking chimneys, and great furnaces hot with the creative fires of industry. Let those be my monument and I shall be satisfied."

There were other speakers whose words were equally moving. Secretary of Commerce William C. Redfield, Mr. George N. Peek, James A. Farrell, Mr. Paul M. Warburg, Mr. John D. Rockefeller, Jr., and Mr. Alba B. Johnson.

In the morning and afternoon general sessions of Wednesday and Thursday and that of Friday morning these men delivered to the congress messages full of timely significance and well-pondered wisdom.

You who read these words, seeking an interpretation of industry's congress by the sea—can you wish for a more inspiring and happier thought than this? Business, commerce, trade have been guilty of abuses. Nor is the danger, alas, passed that others may be committed in the future. But happy we to get this invigorating vision of the value and potency of the awakened creative energies of our race, to see that our unprecedented industries, when fairly and justly managed, can be the rallying points for a renaissance of the spirit itself, that the community of interests created by the processes of production and trade is more nearly a religious communion than any other.

Certain critics declare that the most remarkable thing about the congress is the fact that it took place at all. These critics err. They do not understand the age in which they live. For the men who make the goods consumed by the millions, to come together and earnestly consider the problems of their crafts is but a dramatic expression of one of the most potent impulses of our day. To sense this new impulse is to understand the most fundamental reason for the success of the industrial congress at Atlantic City.

A Sermon On Industry

THE processes of industry, creation and discipline of corporate enterprises for the production of material values, is the chief moral and intellectual adventure of modern times. In past ages man's most popular activity was fighting or formulating religious systems or struggling for abstract political "rights." But now we live in a material age. Grimly we cling to our formulas of spiritual and political truth. And with reason. But already men everywhere are asking that these truths "make good" when applied to the modern world's struggle for existence. In other words, man has become an economic, as well as religious and political, animal.

But the performances of men always outrun their ideals, and the peculiar eccentricity of our time is that machinery has altered our social structure with such miraculous speed that we find ourselves living in the midst of an industrial and commercial age with almost no moral traditions to instruct and guide it. Ethical systems are developed by discussion; but our business man has been too busy to talk.

The needs of business, to be sure, have been impressed on the country by lobbyists, political bosses, and the public press. But these devices have been neither normal nor democratic. Conventions are the megaphones of a democratic society. And so, when the manufacturers of the country feel speech coming upon them—lo, a congress!

The most significant thing about the congress at Atlantic City, therefore, is, not that it took place at all, but that its industrial representatives seriously cogitated their problems from the angle of their relation to the public good and—talked! Never business gathering spoke-like this one. The resolutions it passed are set forth elsewhere in this issue; as to their wisdom, you can form your own opinion. The point I am trying to make is this: Everyone felt that a new brand of stimulating eloquence had burst forth in our turbulent and preoccupied world.

The talk at Atlantic City was stimulating and vital because, as is the case in every new adventure in self-government, it sprang from the rousing realities of the concrete problems

What Are You Going To Do Now About Wage Adjustments?

The Cost of Living is a vital factor in determining a just wage; yet accurate knowledge concerning it is meagre in proportion to its importance. Every community should know these figures for itself. Every employer should know them for every community in which he is interested. There is every reason to believe that wages will be at least as vital a problem during the readjustments about to be made as they have ever been in the past.

To be effectual, a Cost of Living survey must be unbiased, thorough, and based on experience and common sense; it must establish all the facts, so far as it is possible to establish them; it must interpret these facts with good judgment. There is danger for both manufacturer and worker if either applies general figures to specific localities.

Once made it is an easy matter to check the figures from year to year and keep them up to date. To know what it actually costs your workers to live will prove an invaluable aid in securing and maintaining satisfactory industrial relations between Management and Men, and in adjusting possible wage difficulties.

The making of an effectual survey is distinctly the work of a trained investigator. Interest in the problem is far from sufficient qualification for solving it. The Independence Bureau is qualified by knowledge, experience, and viewpoint to make an unbiased survey of the Cost of Living in any community.

This subject is equally important to the large concern with many plants and the small concern with but one plant. The Bureau is equipped to handle surveys of both types. May we talk it over with you?

The Bureau Blue Booklet explains our Service. It will be sent upon request, without obligation. Write for it now.

INDEPENDENCE BUREAU

H. W. FORSTER, *General Manager*

Established 1903

PHILADELPHIA
137 S. Fifth St.

ROCHESTER
Cutler Bldg.

NIAGARA FALLS
Gluck Bldg.

CHICAGO
Peoples Gas Bldg.

Specialists in Industrial Relations. Accident Prevention, Fire Prevention

of creative enterprise. It was exalted by reason of the recent conflict with war conditions and the delegates felt an elation at having played a conquering part. It was guided by a law that was intrinsic and not arbitrary. It was proud—the pride of men handling materials the mastery of which has become an exceedingly subtle and spiritual art. It was lifted by the common hope of expanded opportunity. It expressed, not the energy of criticism and resistance, but of continuous motion and adventure. It was as if the delegates were saying to themselves: "The greatest adventure of our day is, not hunting lions in Africa, the romance of love, or the tragedy of death, but the privilege of conducting business in peace on a war-time basis."

A SECULAR REVIVAL

THE voice at Atlantic City spoke a year ago and in same place. Then, however, it was solemn with the ecstasy of self-denial and of the renunciation with which it offered its all upon the altar of patriotism. Now, once more in control of its own processes, it rose to a new ecstasy, that of a young giant feeling again in his hand a delicate and powerful weapon which he well knew how to use.

The war service committees of these crafts, appointed under the pressure of the late unpleasantness in Europe, were a magnificent success in whetting our industrial weapons. Through them our manufacturers saw new visions: they saw that their competitors might easily become their friends and they gained a broader view of their work in relation to society as a whole. The results of having the committees meet separately with the Government had been good. They wished to see if the result of having them meet together, during the stress of reconstruction, would not be good also.

THE VOICE THAT DICTATES

AND mark this: the new spirit of fraternity abroad in the world has captured the big craftsmen of America. By their talk and their deeds at Atlantic City (this was evidenced a hundred times) they showed that they feel that nothing can be to their own good which does not also profit the people as a whole.

Let me close with what was said to me by one of the most influential men who came to Atlantic City, a man who is probably acquainted personally with more of the delegates than any other: "Several efforts have been made in the United States to build up an industrial fraternity powerful enough to dictate business policies for the entire country. They have all failed miserably and they deserve their fate. A business organization, no more than a Government, can succeed on any other than a democratic basis. Such a basis is the very essence of the United States Chamber of Commerce and of this congress. Whatever effect the referenda of the Chamber, whatever effect the resolutions of this Congress, have upon the Government and the people of this country will be in exact proportion to their fairness, their justice, and their right."

TO OUR SUBSCRIBERS

Those of our subscribers who receive their copies of The Nation's Business this month a few days later than usual, may, if they are charitable, charge the delay to holiday congestion in the mails. As a matter of fact, however, our plans to anticipate Christmas mailing were upset by the unusual—though welcome—demands made on us by our subscribers whose orders for their friends imposed extraordinary strain on our manufacturing facilities. Our readers will be interested to know, we think, that this edition exceeds a quarter million copies.

New Process Solder

Evidence of Worth

THE ever increasing demand for NEW PROCESS SOLDER from prominent and particular manufacturers, is conclusive proof of its worth.

NEW PROCESS SOLDER costs less per pound of perfect finished work.

Best Metal

AN Anti-Friction Metal that for three decades has been sold under the broad guarantee that it will stand more speed and wear than any other metal or we will return the price paid for it—You to be the sole judge.



*Investigate, and ask
for a copy of
"Solder, Its Use and Abuse"
write for it today*



MARKS LISSBERGER & SON, Inc.

LONG ISLAND CITY

NEW YORK

A MESSAGE
TO
AMERICAN
INDUSTRY



AMERICAN INDUSTRY as a whole has accomplished wonders in the development of manufacturing processes. Comparatively few manufacturers, however, have systematically applied modern methods of moving materials through factories and warehouses.

In no other way is it possible to effect such large economies as through improvement in the movement of materials—raw stock, parts and finished product—through the various stages of manufacture.

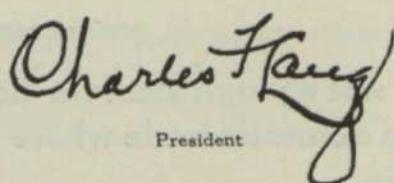
This applies equally to the handling of package freight or other commodities in warehouses and terminals.

The introduction of an efficient Industrial Haulage or mechanical transportation system should be planned with the assistance of an organization capable of analyzing the problem as a whole. Only by first developing an adequate system or method and then applying the correct equipment can fully successful results be accomplished.

The development of a proper system is of first importance. Economical operation of the system is possible only with equipment suited to the requirements.

With these principles before it, the Lakewood Engineering Co. has developed the organization and the equipment with which to accomplish the great economies possible in Industrial Haulage.

*Dated Atlantic City,
December 6, 1918*


Charles F. Lang
President

The Lakewood Engineering Co.
Cleveland, U. S. A.

American Steel & Wire Company

MAKER OF

WIRE

We Devoted Our Utmost Energy to Help Win the War with

BARBED WIRE in the entanglements and prison camps.

WIRE ROPE in nettings to catch submarines and in mooring mines.

AIRPLANE WIRE in the great De Havilands and other aircraft.

TELEPHONE WIRE in the field communications.

AERIAL TRAMWAYS in munition plants.

ELECTRIC WIRES AND CABLES in the dugout terminals and Liberty Motors.

BALE TIES in baling army hay.

WIRE HOOPS on food containers.

NAILS in building cantonments overseas and other construction.

SPIKES in ships and pontoons.

SPRINGS in hand grenades, rifles and small arms.

FLAT WIRE in Liberty Motors, Rifles, Browning guns, gas masks, bayonets, and trench knives.

HORSE SHOES in the cavalry and artillery.

AUTOMOBILE WIRES in the trucks.

WOVEN WIRE FENCES AND STEEL POSTS in ammunition plants.

CONCRETE REINFORCEMENT in all cement work.

POULTRY NETTING in artillery and trench camouflage.

PIANO WIRE in the huts.

WIRE—common wire of every kind in everything—high carbon and special wires in every form of munitions, uniforms and shoes, wire wheels for airplanes, motorcycles and cars. And thousands of other ways.

There was not enough steel for both war and peace purposes so the burden fell upon the domestic trade where it was borne with patriotism eager to help and sacrifice.

In the forthcoming period of reconstruction we ask for a continuance of that patience until we soon may readjust to the new conditions.

CHICAGO
NEW YORK
CLEVELAND
PITTSBURGH
DENVER
U. S. STEEL PRODUCTS CO.

Unraveling the Wool Industry's Problems

(Continued from page 33)

from control of the chief allied wool-consuming countries.

For the lesser belligerents and certain neutrals (such as Spain) arrangements should be made for adequate markets for the raw wool they grow and for suitable supplies of woolen goods for a period long enough to permit commerce at least partially to right itself.

The Domestic Situation

ASIMILAR enumeration of some of the more conspicuous problems of a purely domestic character further emphasizes the complexity of the situation:

The army now owns stocks of raw wool equivalent to a normal six months consumption for civilian purposes.

Army contracts now in process of manufacture will practically all be completed by January, 1919, or at latest by February 1. After that time the industry will be obliged to manufacture civilian products or stop operation.

The stock of raw wool in civilian hands is very low and few mills will be able to start without purchases of Army wools.

The domestic clip of the United States for 1919 will be coming into the market beginning with April 1, 1919, and together with the Army wools on hand, probably would carry the industry through the greater part of 1919 without further importations.

All of the wools in Australia and New Zealand are owned by the British Government, and it is generally believed that by the time the present clip is all in they will represent the equivalent of about a year's normal clip. Naturally the British Government is concerned with all questions having to do with wool consumption or wool prices in this country.

The Army now has in Australia and New Zealand 325,000 bales of wool which it had contracted for at a very favorable price, but which it is under agreement not to sell for civilian use at less than the British civilian issue price.

The only open market for wools is in the River Plate where wools are now selling at a price lower than that which the Army paid for most of its stock and higher than the British civilian issue price.

This combination of conditions makes it almost imperative that some solution be found immediately for the problem of saving the domestic wool producers on the one hand and the manufacturing and distributing industries on the other, from the losses which would be involved in a sudden readjustment of wool prices from a high to a low level.

Labor conditions in this country may become serious.

Costs of production other than labor are still on a war level and probably cannot be brought down to a peace basis promptly.

Conspicuous over the entire situation is the possibility of increased competition in fabrics imported from Europe and particularly from Great Britain.

A Working Program

THIS enumeration of the prevailing conditions and some of the facts which led up to them, gives rise to the following suggestions for a program to insure the effective operation for these industries for the immediate future:

(1) Keep the mills going. Minimize the break between government market and private market conditions.



Applied Patriotism

Woman has made herself indispensable to the Nation's war activities. This is being demonstrated daily in many splendid ways. The telephone operator takes her place in the front ranks of our "national army" of women.

Back of the scenes, invisible, her war work is to make telephone communication possible. Through her the Chief of Staff in Washington speaks to the Cantonment Commandant in a far-off state. The touch of her fingers forges a chain of conversation from Shipping Board to shipyard, Quartermaster General to supply depot, merchant to manufacturer, city to country, office to home.

Without her this increasing complexity of military, business and civil life could not be kept smoothly working. Hers is patriotism applied. She is performing her part with enthusiasm and fidelity.

The increasing pressure of war work continually calls for more and more telephone operators, and young women in every community are answering the summons—cheerfully and thoughtfully shouldering the responsibilities of the telephone service upon which the Nation depends. Each one who answers the call helps speed up the winning of the war.



AMERICAN TELEPHONE AND TELEGRAPH COMPANY
AND ASSOCIATED COMPANIES

One Policy

One System

Universal Service

THE BRUSHES OF THE WAR
WHITING-ADAMS
BRUSHES

DO THEIR PART TOWARD CONCEALING THE BIG GUNS

Their own bang-up goodness cannot be concealed. Quality sticks out all over them. Call for them at any dealer in brushes. Send for illustrated literature.

JOHN L. WHITING-J. J. ADAMS CO., BOSTON, U. S. A.
Brush Manufacturers for Over 108 Years and the Largest in the World



The Trustee and the Individual Investor

IN THE investment of trust funds, the trustee is under a large measure of legal responsibility. His problem is to comply with the law's requirements and at the same time to secure a satisfactory income for the estate.

The steady growth of our trust fund business is significant. It shows that trustees are coming to recognize that they can command from us an unusual service.

This service is the giving of advice by experts who know the State laws and have an intimate knowledge of all bonds that are legal for trust funds, and who are able, therefore, to select securities meeting the needs of each particular case.

To the individual investor, such a service is of equal value and importance. He rarely has the time or facilities for thoroughly investigating the investment situation, and it is the part of wisdom for him to seek the best service.

We shall be pleased to have you consult us.

Our current offerings of Bonds and Short Term Notes will be sent upon request for Circular H-96.

The National City Company

National City Bank Bldg., New York
514 Fifth Avenue, at 43d St., New York

Correspondent Offices in 31 Cities

Bonds—Short Term Notes—Acceptances

- (2) Distribute as equitably as possible the losses due to the drop from a high to a lower price level for raw materials and products.
- (3) Restore the operation of private competition.
- (4) Consider immediately how efforts of the Federal Government with respect to labor can best be supplemented.
- (5) Safeguard investments while, at the same time, preventing conditions favoring abnormal profits.
- (6) Examine the needs of and develop a program for wool growing and manufacturing as a national resource in peace and war.
- (7) Develop a program for correction of abuses in various branches of industry and trade.
- (8) Develop a policy establishing the place of American industry in the world's wool trade and industry.

Business Facts Belie Peace Jeremiads

(Continued from page 28)

the expense of stability in the business world. The usual attitude is characterized by that display of common sense which is one of the great heritages of our people. There is watchful waiting to be guided by events as they occur, and no indication of a stampede nor a desire to rock the boat. Rather there has suddenly come into being a realization that a constructive, courageous attitude is what genuine patriotism demands in the present crisis. There is sought an immediate resumption of road building and of all public works; and there is general intention not only of providing employment for returning soldiers, but likewise of retaining other workers as far and long as possible. The manner and nature of declining prices are receiving careful study rather than ill considered and hasty action. The volume of business shows some diminution as the result of present uncertainty, and there is less buying of "futures," especially in seasonable goods—on the other hand, the trade in holiday and Christmas articles is distinctly better because of the general joy and satisfaction over the successful ending of the war.

In industrial life there is a general tendency towards the resumption of individual initiative and action, free as far as is wise and possible from Government regulation and control. It is recognized, however, in many lines that such change must come gradually and that Government co-operation in somewhat lessened measure, may prove one of the sustaining factors of the situation.

Commercial Clubs to the Front

ONE of the constructive lessons taught by the war is "lead" which the local commercial clubs are destined to play in the coming development of the country's industrial and agricultural resources, especially the latter. In Missouri, for instance, they were the center of all war activities and loan flotations. The many goings over the top which were "pulled off" in Missouri were largely due to the initiative and ceaseless industry of these modest organizations, so today they are leaders in a State-wide movement to see that the great "Show Me" State furnishes a constructive program for every worker within its borders.

Other than the early Winter vegetables and the citrus fruits of California, Florida and some other Southern States, the only growing crop of note is winter wheat, which is going into winter with an unexampled acreage, at least 20% greater than last year, and in the best of condition. Generally it is being pastured to



Do you welcome these guests?



HERE is one concern that doesn't. In fact they have so guarded this big plant with

ANCHOR POST

Unclimbable Chain Link Fence
that all would-be trespassers,
disreputable or not, are effec-
tively barred out.

Anchor Post Fences of Chain Link Woven Steel upset the deepest-laid plans of the craftiest plotters, or of petty thieves, to force an entrance into your plant or your yards, day or night.

A request for our Factory Fence Catalog is a request for the expression of expert fence fabricators and erectors.

Anchor Post Iron Works

167 BROADWAY, NEW YORK

BOSTON, MASS. - - - - - 79 MILK STREET
PHILADELPHIA, PA. REAL ESTATE TRUST BLDG.
HARTFORD, CONN. - - - 902 MAIN STREET
CLEVELAND, OHIO - - GUARDIAN BUILDING
ATLANTA, GA. - - - - - EMPIRE BUILDING



Advertising is the Power of an Idea Multiplied

Other powers lose by expansion. Steam is power only when confined. Electricity radiated and diffused becomes nothing. Sound dies with distance. Great suns pale into invisible stars and the power of light itself is lost in infinite space. But the strange power of advertising increases by expansion. Diffusion is its life. It grows by what it imparts. From the mind of one to the minds of many, an idea becomes dynamic energy that draws back increase from the very

wires it charges—renews itself with every expenditure like riches that grow by sheer extravagance.

Advertising
began as an
afterthought
of business
and became the
forethought.

—D'Arcy Advertising Co.

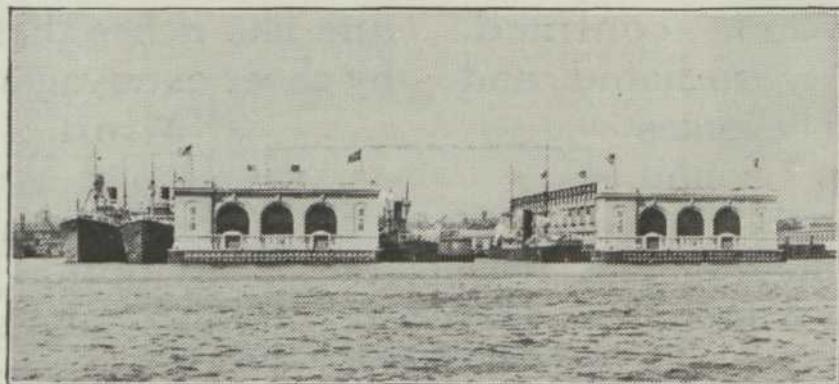
“Mind”, said Daniel Webster, “is the great lever of all things; human thought is the process by which human ends are ultimately answered.”

The power of an idea multiplied moves governments—or goods, as the case may be. It is a power for good as well as a vital power for goods when it helps a worthy business to a wider market.

D'Arcy Advertising Company
International Life Building
St. Louis, Mo.

The Port of Philadelphia

is prepared to proceed with its policy of pier and harbor expansion at home and take part in reconstruction abroad.



More shippers use the port of Philadelphia than ever before.

The busiest shipping center in the whole United States is Philadelphia.

The great metropolitan Philadelphia district enjoys distinctive advantages in:—

Maintaining modern port facilities; Having uncongested piers; Shipping quickly, cheaply and surely; No lighterage inconvenience; Three trunk railroads; A city belt line; Room for development of river front, industrial and transportation enterprises.

Increased manufacturing production; The world's shipbuilding center; Great commercial activity; Heavy agricultural output; Unlimited and diversified labor; The food market for seven million people in Eastern Pennsylvania, New Jersey, Delaware.

Philadelphia: a Great Port

Department of Wharves, Docks and Ferries

BOURSE BUILDING

PHILADELPHIA

live stock, lest it joint too early and be thus susceptible to coming winter cold. Its present promise portends a final settlement of the food problem next year so far as cereals are concerned.

It is unfortunate that the food question is "messed up" by two classes of prolific writers. One, serious and earnest students, with practically no first-hand knowledge of the situation who persist in the vain delusion that statistics tell the whole story; the other, the perennial tribe of hack writers who really know nothing about anything but are ever ready on the slightest provocation to write fluently on any subject from how to milk a cow to the theory of the Precession of the Equinoxes. The facts are that there is an abundance of food in this country of all sorts and kinds beyond our utmost requirements, but unquestionably Europe needs our help in this direction more than ever before—though just to what extent does not as yet seem entirely clear. The principal surplus exporting wheat countries, United States, Canada, Australia, Argentina and India seem to have enough to spare to take care of Europe, providing ships be available.

Common Sense in Conserving

THE outlook for meat is not so encouraging, as Europe steadily depleted its herds during the war, but Australia, New Zealand, Brazil and Argentina can do much, provided ocean tonnage be found. In this country all estimates agree that our meat animals—cows, hogs, sheep and poultry are all increasing in number. Apparently we have more hogs than ever before. There is a limit, however, beyond which we cannot go without depleting our live stock capital. Our best guides in this complex question are the statements and requests of the United States Food Administration as they have intelligent grasp and understanding of the situation. It is significant at present that they have withdrawn all restrictions on all foods, though still urging common sense and necessary conservation in general.

Meanwhile as some of the constructive features of the future, there is a growing realization that the business prosperity of the country in the future depends largely upon the well-being and purchasing power of the many rather than the few, that too cheap labor is not an economic necessity, but at once a serious economic and social evil. And most of all, that as the Kingdom of Heaven lies within us, so each locality must work out the problem of its own development.

That Uncultivated 68 Per Cent

HOW greatly this is being done in agriculture is shown in the almost incredible activities of fast organizing farmers in all sections. The South is already a great live stock producing section; sheep and small farms everywhere east of the Mississippi River now point the way ultimately to our raising as much wool as we need. Oklahoma has seeded unprecedented winter wheat acreage on lands whose chief products a generation ago were mostly prairie dogs and jack rabbits. There is still 68% of the arable land of the country uncultivated, largely because of lack of labor. The thought of the day is how to employ this idle capital. Tractors are being used on farms as small as 100 acres; they are syndicated much after the fashion of threshing machines. Meanwhile, the story of several million women and girls in Farm Clubs of all sorts of productive activities in this country is being heralded in France, that thus the depleted man power of that wonderful country may be helped out by the patient women and girls of France who have endured unto the end.

South America

offers a very attractive field for trade expansion following the war.

The First National Bank of Boston is in close touch with all parts of South America. It maintains a Branch at Buenos Aires, Argentina, and has valuable connections in other South American countries.

Representatives of the Bank have visited South America and have investigated conditions there at close range. As a result the Bank can supply accurate and dependable information which will enable importers and exporters in the United States to compete for South American trade on favorable terms with concerns in other countries that have the benefit of long experience.

Our Commercial Service Department will supply this and other information upon request.

The First National Bank of Boston

Capital, Surplus and Profits, \$27,000,000

Resources . . . Over \$250,000,000

Branch at Buenos Aires, Argentina

You See Art Posters Displayed

throughout your city on large panels 25 feet long by 11 feet high, with green frames and a white mat between the poster and the green frame.

Do you know how they are produced, and how the national advertiser is able to have his lithographed posters displayed in a few towns or a few states, or in over 8,000 cities of the United States and Canada *on the same day?*

Have you ever looked into the cost, the flexibility and the color value of Poster Advertising?

Have you ever realized that Poster Advertising can be seen every day by the advertiser's salesmen, the wholesaler and his salesmen, the retailer and his clerks, as well as the consumer?

Have you ever realized that Poster Advertising helps you to secure greater results from the advertising mediums you are now using?

Have you ever used Poster Advertising as an advertising medium?

Our organization is at your service (without obligation to you) should you desire further information.

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A New Finance for a New World

(Continued from page 36)

it will continue to dominate the world. The position of economic superiority held by a creditor country owning a large stock of gold is of so immense an advantage that it will not be voluntarily relinquished by the large number of nations that are the "beati possidentes."

I do not believe that the world has turned far enough into a family of communists seriously to consider the pooling by all countries of their holdings of gold. As long as nations have separate national budgets and obligations, they are likely to wish to retain a distinct ownership of their assets. The problems of reconstruction are immense and immediate; the new structure must be erected on the most solid foundation and built with material that is thoroughly tested and promptly and actually available.

A Question of Balance

ATTENTION has been drawn to the preliminary steps taken by many European nations for the organization of banks designed to protect the foreign exchanges of the respective countries. But the conditions of these nations are not ours. Countries that are dependent upon the importation of goods and at the same time have to find means of annually remitting abroad large sums in payment of interest and amortization have a very real and serious problem on their hands, one from which, happily, we have reasons to hope to be immune, at least for some years to come.

In thinking of financial reconstruction and of the financial world of the future, do not too many amongst us have this one thought uppermost in our minds. Is the United States hereafter going to be the leading financial country? In other words, are we going to take England's place as the foremost financial power? Do not these men forget that if England were to surrender her entire trade and banking to us, we should collapse, and that if we were to unload all our business on her, she would break down under the burden?

England the Banking Center

THE whole truth of the matter is, that we have both grown to be pillars supporting the same structure and that neither can fall or become weakened without bringing danger or disaster on the other. England, herself the owner of billions of foreign obligations, will remain the banking center of Europe; a world clearing house for goods and credits. I believe that her banks and ours will be found in close co-operation sharing the burdens in bond issues and credits, and relieving each other as the tide may swing from time to time.

Personally, I think it is finer and healthier for us not to think so much of the rank as of the responsibility of our position.

If I read aright the signs of the times, England and the United States, soon to be joined by France, allies of the past, will be partners rather than competitors in the future—partners not of a close corporation to the exclusion of others, it will be a partnership wide open for any respectable new associate wishing to enter. Or perhaps we might more properly term them joint trustees, with others, administering a great public trust. If there is to be immediate and intense competition between their peoples, it ought to be on this one and only ground: "who will be able to save most in order to be able to help most."

The ownership of no less than \$8,000,000,000

AN EVER increasing number of big shippers are using Pioneer Wire Bound Boxes. They have found—as you will find—Pioneers save freight because 30% to 50% lighter than nailed cases; yet stronger, vastly stronger, because steel wire bound. Pioneers reduce theft of contents in transit—the twisted wire once broken cannot be re-twisted. They can be set up in half the time it takes to put together a nailed box and are securely sealed by a simple twist of the wire.

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Wire Bound Boxes
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Facilitating America's Commerce

THE development of American commerce following the return of peace will be materially aided by acceptances. The use of acceptances means added efficiency and economy in commercial banking.

Commercial Banking Practice

(A New Commerce Book)

A compilation of the law, rules and regulations governing acceptances is presented in our new book now ready for distribution.

National Bank of Commerce
in New York

Capital, Surplus and
Undivided Profits over
\$45,000,000

of foreign Government obligations (probably billions more before we are quite through) conveys to the Government of the United States the possession of a master key controlling the foreign exchange market for some years to come.

Nobody is wise enough to say today what the ultimate disposition of these foreign bond holdings will be. Some bonds may be actually paid off when due, others may have to be renewed by our Government, in other cases foreign governments, when their bonds mature, as a renewal operation may offer their own bonds for sale to the American investor (instead of to our Government).

We may assume with entire confidence, that the United States is not going to be a hard and exacting creditor. While our Government may find that, as a matter of protection against unexpected economic or political developments, it may be advisable to keep a certain portion of our foreign loans in bonds of a reasonably short maturity, renewable from time to time, there cannot be any doubt that the decisions of any future administration concerning the ultimate liquidation or continuation of these debts will not be reached from mercenary or selfish motives, but that they will spring from considerations of the larger duties towards the world as a whole, and from minds fresh with memories of the sacred purposes for which these obligations were incurred.

A Job for Congress

I HOPE that Congress may see its way clear to exempt from taxation interest received by foreigners on bank deposits in the United States, or on their investments in loans, discounts or American bills of exchange. Petty and vexatious taxation of revenues from bank balances and bills of exchange will result in placing a severe handicap upon American banks in their efforts to give to American paper and American balances the same standing as that enjoyed by their British brethren. Such taxation not only impedes the free flow of money, but in the final analysis hurts the American borrower, who will be the one to "pay the piper" by being compelled to stand the higher interest charges which would result. I should earnestly urge, therefore, that Congress examine this question very seriously when framing the revenue bill now under consideration.

The war has accentuated and vastly accelerated the growth of Government responsibility and influence in business. This development is world-wide at this time, it is natural, logical and inevitable. While it will tend to elevate business, there is danger that unless carefully safeguarded in both form and scope, it may tend to corrupt and to debauch Government. It is this peril that we are facing at the moment of our proudest triumph, and it must be our serious concern that a national effort born in idealism should not bear the seeds of ultimate national decline.

The reconstruction period is pregnant with the seeds of good or evil; what it brings forth will depend upon the care and devotion the country gives to its problems. It is a period, as its name indicates, for constructive thought, not for destructive criticism. If the flower of our manhood is willing to serve the country during reconstruction and peace as it did in times of war, and if the country's new and larger duties, and its higher conceptions of them have taught it to want as its servants none but the truly best, then we may look into the future with hope and confidence that we may prove ourselves competent and faithful guardians of the sacred trust which this glorious period has placed into our hands.

IN MAKING YOUR Adjustments - of - Cancelled Contracts WITH THE GOVERNMENT

furnish ALL the
Essential Data

PREPARE all the engineering and accounting information so that it will mean what it should mean.

Do it in a purposeful, meaningful way so that all the facts will be logically and properly set forth.

In other words employ experts who can *do it right*.

THE KNOWLES-MAIN APPRAISAL BUREAU can *do it right*, BECAUSE in this organization are combined the two prime essentials toward the right end—engineering and accounting. This bureau has been formed by joining the organizations of Morris Knowles, Inc., Engineers, and Main and Company, Public Accountants. It will see to it that you get all that is coming to you—and no more. Just an honest, sensible and intelligent adjustment by men whose business is to know how to *do it right*.

Executives requesting our Booklet will receive detailed information regarding our service.

THE KNOWLES-MAIN APPRAISAL BUREAU

Commercial and Industrial
Appraisers

1200 Jones Building
Pittsburgh, Pa.

“Why is the price of meat so high?”

THE head of a Philadelphia family writes to ask us for an explanation of the present high prices of meat.

He inquires especially about the increase during the past four years.

* * *

One item to consider is the increased cost of running a retail meat shop.

The retailer today must pay higher wages to his clerks and more for delivery service—in fact, everything entering into the operation of his store has advanced tremendously.

The principal reason retail prices are higher, however, is the fact that wholesale prices have increased. The retailer is obliged to charge more for meat because he has to pay the packers more for it.

* * *

The packers, in turn, are in exactly the same position as the retailer.

It costs them more to do business. Labor, transportation, machinery, materials—all items in the packing business—have mounted rapidly. Wages of packing house laborers, for example, have increased over 100 per cent in the past three years.

But this, as with the retailer, accounts for only a relatively small part of the increase. *The packers are compelled to charge higher wholesale prices for meat mainly because they are paying more for cattle.*

During the past four years, cattle prices to Swift & Company advanced 74 per cent.

The packer's costs also have mounted rapidly. Wages of packing house laborers, for example, have increased over 100 per cent in the past three years



Wholesale beef prices have not gone beyond this. In fact the price received by Swift & Company has gone up only 61 per cent during the same period.

* * *

Cattle have advanced in price because it costs the producer more to raise them.

The prices he pays for grain have reached unprecedented heights. Corn, for example, has doubled in the past four years.

Every item entering into the production of cattle has gone up. Corn, for example, an essential cattle food, has doubled in the past four years



Farm labor is scarce, and he has to pay record wages to get it. Freight rates have also gone up.

* * *

The increase in the price of meat, in short, is due to the higher cost of everything that goes into its production and distribution.

But the price of meat has gone up no more than the prices of other foodstuffs—and this in face of the enormous quantities sent overseas to supply our Army and the Allies.

Evidence of this is seen in the fact that, during the past five years, flour has increased 100 per cent, corn meal 133 per cent, sugar 65 per cent. During the past year alone, fruits have advanced 30 per cent.

If the packers were to eliminate their profits entirely, there would be practically no change in the price of meat. Swift & Company's profits average only a fraction of a cent per pound of meat.

The cost of all foods has increased during the past four years, and the advance in most cases has been greater than that on meat



Swift & Company, U.S.A.

A nation-wide organization owned by more than 23,000 stockholders



SELL SERVICE

RENDER SERVICE

The *Sperry* System of co-operative discount is a service designed for the use of merchants desiring to allow their customers a consideration for cash patronage. A practical method by which privileges similar to those enjoyed by the merchant are extended to the madam.

During the years of the world war our service, to both merchant and customer, has been maintained to the highest possible degree of efficiency.

In the immediate future, the value of The *Sperry* System will be more widely appreciated by those merchants who will be faced with many new problems relating to customers and cash.

In the elimination of credit accounts, the building of steady cash patronage, holding old and gaining new trade, and the making of good-will, The *Sperry* System can play an important part.

Sell Service—Render Service. Our slogan and our business.

The Sperry & Hutchinson Co.
2 West 45th St. New York City

The Heart Behind Our Power

(Continued from page 15)

suffer for lack of funds with which to reconstruct Liege? Shall Lille go idle and the looms of Roubaix cease? There are certain things a gentleman can not do and there are certain things a great nation can not do. We must see that these people are furnished the credits to pay. They can not finance themselves unless we do a large part of it for them. Great Britain with the marvellous resources of her Empire can probably finance herself and her sister nations that form the Empire, but France and Belgium, Italy, Serbia and Poland can not, and in some measure we must furnish them the means.

Concentrate on Output

NOW, do you not see that if we forget ourselves and endeavor to play the part of that disagreeable animal that roots in the earth for what he can get with his eyes bent always upon the ground—do you not see that any large absorption of America in that task might mean piling upon the other side huge credits due us which it would be increasingly hard to pay and as possibly laying up for ourselves a treasure more apparent than real, quite consistent with the loss of our national soul.

If it is permitted me to urge a few words of practical advice to American industry at this juncture, I should say to it—beware of the temptation hastily to lay rash hands upon wages. Concentrate thought, purpose and effort on output. Find and seize hold upon all science has said or can say concerning industry. It was largely because Germany made her industries the operating end of her sciences that her commerce grew so fast and powerful in the years before the great war. It was more German science than German wages that made her competition dangerous. The responsive power of well paid and contented labor to farsighted leadership in industry is the greatest force in production, and happy are they who have it behind them.

Temporary Government Restrictions

OUR near future foreign trade is affected by a fourth factor, namely, the capacity of the world's shipping. I am amused a little, I will confess, at the able and honest gentlemen who press upon me that now and speedily we must do something—they rarely say what—to so amend some laws that certain things for which they hope may be speedily accomplished. Soberly looking at it, I think that every ship the world has and can get has all of its carrying capacity taken for the next two years to come. Many of our ships will be used for our growing and developing trade with South America, because a number of these vessels are of a type which it is not economical to send abroad. We should have no fear on that score.

It seems possible that there may be needed for the near future some continued measure of control over certain exports both to see that raw materials and equipment are equitably distributed among those who have served us well and that we are not drawn dry ourselves. This should in my judgment be temporary and limited. We must not lose sight of the fact that even our present enemies, Germany and former Austria-Hungary, must have trade if they are to have means of paying the obligations that may be imposed upon them. We cannot act in the foreign field as if we stood alone. It seems to me, however, that Government restrictions are not required further than the temporary and limited control suggested but that economic and financial laws will provide the guidance needed.



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in actual cash but
thru' the savings in
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"WE KNOW

The Trackless Train

**HAS REPLACED
SIX MEN"**

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of Government
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Tycos

TEMPERATURE INSTRUMENTS

IN the forging of the great gun that may speak destruction to the foe over the horizon or that may spread death to its own crew; in the making of the explosive shell that may crumble an enemy stronghold or destroy the ship that carries it, success or failure, winning or losing, often hangs on temperature accurately gauged.

Temperature tells whether the steel shall be true, the explosive reliable, the tires tough, the armor plates hard for war. And a hundred other ways, farther back of the fighting line, temperature tells the vital point between which lies profit or loss, success or failure.

Temperature tells the power plant man the points of waste, less any inefficiency in his plant: in his combustion, in his pre-heaters and economizers, in his boiler output and in his superheater.

In all these services of war or peace

Tycos Tells Temperature Truth

Tycos Temperature Instruments are the accurate guide to saving and safety in every industrial process. Because each *Tycos* Instrument is built for a particular service.

Sixty-five years of specialized study of temperature have enabled us to guarantee to our patrons the all important accuracy of what *Tycos* tells.

There's a *Tycos* Thermometer for Every Purpose. Let us show how *Tycos* can help the power plant to make good with the fuel administration.

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Having all the leverage and flexibility of a chain and sprocket and the frictionless driving contact of gears which *roll* in oil, dust proof

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